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Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 July 2002-30 June 2003

General Assembly
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Fifty-eighth Session
Supplement No. 13 (A/58/13)

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Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Contents

Chapter		Paragraphs	Page
	Abbreviations		v
	Letter of transmittal		vi
	Letter dated 25 September 2003 from the Chairperson of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency		viii
I.	Overview	1–41	1
II.	General developments in Agency programmes	42–116	12
	A. Education	42–63	12
	B. Health	64–78	19
	C. Relief and social services	79–92	26
	D. Microfinance and microenterprise programme	93–103	32
	E. Fund-raising activities	104	35
	F. Emergency appeals	105–107	35
	G. Projects	108–110	37
	H. Peace Implementation Programme	111–113	38
	I. Lebanon appeal	114–116	38
III.	Financial matters	117–138	40
	A. Fund structure	117–122	40
	B. Budget, income and expenditure	123–130	40
	C. Non-regular budget activities	131–134	42
	D. Current financial situation	135–138	42
IV.	Legal matters	139–180	44
	A. Agency staff	139–154	44
	B. Agency services and premises	155–174	51
	C. Other matters	175–180	60
V.	Jordan	181–196	63
	A. Education	181–186	63
	B. Health	187–189	63

C. Relief and social services 190–196 64
VI. Lebanon 197–216 67
A. Education 197–203 67
B. Health 204–207 68
C. Relief and social services 208–216 68
VII. Syrian Arab Republic 217–232 71
A. Education 217–220 71
B. Health 221–224 71
C. Relief and social services 225–232 72
VIII. West Bank 233–252 75
A. Education 233–238 75
B. Health 239–244 76
C. Relief and social services 245–252 77
IX. Gaza Strip 253–269 80
A. Education 253–257 80
B. Health 258–261 81
C. Relief and social services 262–269 82

Annexes

I. Statistical and financial information tables 85
II. Pertinent records of the General Assembly and other United Nations bodies 98

Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions
CBO	Community-based organization
CRC	Community rehabilitation centre
DTC	Damascus training centre
EC	European Community
ESF	Educational science faculty
GTC	Gaza training centre
NGO	Non-governmental organization
PA	Palestinian Authority
PIP	Peace Implementation Programme
PLO	Palestine Liberation Organization
RMTC	Ramallah men's training centre (West Bank)
RWTC	Ramallah women's training centre (West Bank)
SGL	Solidarity-group lending
SHC	Special hardship case
STC	Siblin training centre
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSCO	United Nations Special Coordinator in the Occupied Territories
UNTSO	United Nations Truce Supervision Organization
VTC	Vocational training centre
WHO	World Health Organization
WPC	Women's programme centre
WSTC	Wadi Seer training centre

Letter of transmittal

25 September 2003

I have the honour to submit to the General Assembly my annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for the period 1 July 2002-30 June 2003, in compliance with the request contained in paragraph 21 of General Assembly resolution 302 (IV) of 8 December 1949 and with paragraph 8 of General Assembly resolution 1315 (XIII) of 12 December 1958.

In chapter I, an overview of events and developments in the region is provided, with reference to UNRWA's five fields of operations in Jordan, Lebanon, the Syrian Arab Republic, the West Bank, and the Gaza Strip, as well as a description of the funding situation that UNRWA faced during the reporting period.

Chapter II covers general developments in the education, health, relief and social services, and microfinance and microenterprise programmes of the Agency, and in its fund-raising activities, emergency appeals, and project activities.

Chapter III covers financial matters, including income and expenditure for the regular budget and the projects and emergency budgets, non-regular-budget activities, and the Agency's current financial situation.

Chapter IV deals with legal matters, in particular those relating to Agency staff, services and premises, as well as constraints affecting Agency operations.

Chapter V provides information on UNRWA operations and its main programmes in the Jordan field, while chapter VI deals with the Lebanon field, chapter VII with the Syrian Arab Republic field, chapter VIII with the West Bank field, and chapter IX with the Gaza field.

Annex I provides statistical and financial information regarding the Palestine refugees and Agency programmes, finances and staff. Annex II refers to pertinent records of the General Assembly and other United Nations bodies.

Following established practice, the annual report in draft form was distributed in advance to the ten members of the Advisory Commission, whose relevant comments and observations were given careful consideration. The draft report was discussed with the Commission at a meeting held in Amman on 25 September 2003. The views of the Commission are contained in a letter addressed to me from the Chairperson of the Advisory Commission. A copy of the letter follows.

President of the General Assembly
United Nations
New York

I have maintained the practice of showing my report in draft form to representatives of the Government of Israel, and giving due consideration to their comments. Pursuant to General Assembly decision 48/417 of 10 December 1993 that the Advisory Commission establish a working relationship with the Palestine Liberation Organization (PLO), a representative of the PLO attended the meeting of the Commission on 25 September 2003 and a copy of the draft report was shared with him.

(*Signed*) Peter **Hansen**
Commissioner-General
United Nations Relief and Works Agency
for Palestine Refugees in the Near East

Letter dated 25 September 2003 from the Chairperson of the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East addressed to the Commissioner-General of the Agency

At its regular session, on 25 September 2003, the Advisory Commission of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) considered your draft annual report on the Agency's activities and operations during the period 1 July 2002 to 30 June 2003, which is to be submitted to the General Assembly at its fifty-eighth session.

The Commission noted with concern the continuing deterioration in the political, economic and social situation, including the escalation of armed attacks during the reporting period. It expressed deep concern regarding the serious humanitarian crisis that is occurring in the occupied Palestinian territory. The crisis is evidenced primarily by increased levels of malnutrition among children, high levels of poverty and unemployment, deteriorating health conditions, the displacement of an increasing number of Palestinians following the destruction of their homes, and the disruption of educational programmes and the increasing exhaustion of the capacity of the Palestinian population to sustain itself in the face of the continuous decline in economic and social conditions since September 2000. For instance, according to recent figures from UNRWA, a total of 244 houses were completely demolished during the period April-June 2003, and over 10,000 Palestinians have lost their homes to demolition since September 2000. In addition, recent various reports estimate unemployment in the occupied Palestinian territory at between 37 and 65 per cent. Those conditions have had a particularly severe effect on Palestine refugees, who are often among the poorest and most vulnerable part of the population, and have required additional engagement by the Agency.

The Commission noted with concern that the construction of the separation wall, internal and external closures, curfews and other restrictions imposed by the Israeli authorities in both the West Bank and the Gaza Strip has led to severe and sustained mobility restrictions on the Palestinian population and has had repercussions on their daily life and future. The restrictions have led to the loss of access by the population to employment and income as well as access to essential goods and services. The restrictions have also had a serious impact on the ability of the Agency to move staff and humanitarian assistance to those in urgent need. Obstacles to the delivery of urgently needed humanitarian assistance to refugees have remained in place as the conflict and level of violence has persisted. The Commission noted the negative impact of those practices on UNRWA operations and reiterated the need to take urgent measures to remove restrictions placed on the movement of Agency staff and goods, in keeping with international law and the agreements between UNRWA and the Government of Israel. The Commission also expressed concern at the sharply increased constraints on the Agency's freedom of movement which its international staff faced at the end of the reporting period, further impairing UNRWA's ability to function effectively.

The Commission commended the Agency's management and staff under your leadership for the resolute and effective response to the continuing emergency in the occupied Palestinian territory. The Commission noted with appreciation the dedication with which many of the Agency's staff members have worked for long hours in the field and, in the case of area staff, without receiving hazard pay to overcome obstacles often in dangerous and even life-threatening situations, to deliver assistance to those in urgent need of humanitarian assistance. The Commission presented its condolences to you following the violent death of six members of your staff during the reporting period. It reaffirmed the pressing need to respect the integrity of the United Nations and the immunities of its staff, particularly in the case of humanitarian staff courageously operating in areas of conflict, as stated in Security Council resolution 1502 (2003) of August 2003.

The Commission commended the efforts of the Agency to respond to the continuing emergency in the occupied Palestinian territory and to mobilize contributions by the international community for its emergency appeals. It noted that, up to the end of 2002, donors had contributed $208 million in response to appeals amounting to $333.2 million. It also noted that the Agency has launched appeals totalling $196.6 million for the year 2003. The Commission noted with concern that the response of the international community to the 2003 appeals has been slow, in that as of mid-September 2003 only $76.8 million has been pledged and $55.8 million actually received. In the light of the continuing humanitarian crisis in the occupied Palestinian territory, the Commission appealed to the international community to do its utmost to enhance contributions to the Agency's emergency programmes and meet the targets as soon as possible. It also called upon UNRWA to review its emergency programmes and priorities in accordance with needs and anticipated funding levels.

The Commission also expressed its concern at the destruction of and damage to the infrastructure and facilities of UNRWA. It noted the sharp increase in military incursions in the Gaza Strip, and the ensuing high number of refugee shelters destroyed during the reporting period.

The Commission recognized that the Agency has made efforts to conduct an effective programme of delivery of emergency assistance to the affected refugees, and that the Agency's periodic reports have been distributed to donors to inform them of its implementation. The Commission urged UNRWA to coordinate more closely with donors and host countries to ensure that adequate reports are received on their emergency appeal programmes. It expressed its appreciation at the improvements in coordination of emergency activities on the ground, including through the Operational Coordination Group, and the Agency's close relationship with the International Committee of the Red Cross and with the Office for the Coordination of Humanitarian Affairs of the United Nations Secretariat. It also welcomed UNRWA's cooperation with the Office of the United Nations High Commissioner for Refugees regarding its assistance to affected Palestinians in Iraq.

The Commission underscored the crucial importance of the Agency's regular budget and the need for a consistent and growing level of contributions to it. It noted with concern that, for the year 2002, overall contributions to UNRWA's General Fund have declined and that against an approved level of $301.8 million, contributions amounting to $275.8 million have been received. The Commission stressed the importance of a steady and predictable growth in contributions to the

regular budget for the years 2003 and 2004, which is indispensable if the Agency is to respond adequately to refugees' real needs in the five fields of operations. The Commission also called upon UNRWA to expand and report on its efforts to reach out to non-traditional donors to ensure that the Agency's financial needs are fully met.

The Commission noted that the General Assembly has approved its 2002-2003 biennial budget at the level of $791.7 million. It also noted that, against a regular budget planned expenditure of $315.1 million during the current year, pledges of only $293.3 million has been received as of the end of August 2003. The Commission stressed the importance of adequate contributions to the regular budget to ensure and enhance the maintenance and effectiveness of the Agency's infrastructure and its main programmes of assistance to the refugees. It emphasized the importance of a working capital reserve to ensure the timely implementation of intended programmes. It advised the Agency to improve management of special projects, including proposal preparation, budget estimation and feasibility assessment.

The Commission welcomed the progress made in solving the issue of reimbursement of value-added tax (VAT) payments by the Palestinian Authority. It noted with appreciation that the Palestinian Authority has introduced a zero rating system for VAT in the Gaza Strip and has agreed to extend that system to the West Bank. It urged the Agency to continue to pursue the matter with the Palestinian Authority. It also requested the Agency to continue discussions with the Israeli authorities with a view to recovering all outstanding port charges, in accordance with the 1967 Comay-Michelmore agreement between Israel and UNRWA.

The Commission recognized the structural under-staffing of the Agency at its headquarters and field offices, and urged UNRWA to request support for the four new international positions from the United Nations "assessed contributions" budget. It noted the Agency's intention progressively to bridge the gap between the area staff rules of 1999 and the pre-1999 compensation structure for its area staff and supported its efforts in that regard. It noted that a sum of $5.1 million was still outstanding with respect to the expenses incurred by the Agency on account of the shifting of its headquarters from Vienna to Gaza, in accordance with the instructions of United Nations Headquarters. The Commission requested you to pursue the matter with the United Nations Headquarters for the reimbursement of the amount as soon as possible.

The Commission noted with appreciation that the Agency has submitted two reports describing the various reforms it has undertaken to improve its management and programme practices and processes. It encouraged the Agency to continue with its reform process. It expressed its wishes that those reforms reflect positively on services provided for refugees in all aspects of the Agency's activities. It also noted with satisfaction the introduction of more informal and substantive interaction processes and workshops at the Agency's biannual informal major donors and host countries meetings, and noted that the Agency is currently providing a thorough record of the proceedings of those and other stakeholders' meetings.

The Commission recognized the vital role the Agency plays in providing the refugees with essential services and in contributing to regional stability. It expressed its support for the expansion of the UNRWA microfinance and microenterprise programme, as well as for the various major rehousing and infrastructure projects

undertaken in, inter alia, the Jenin, Neirab, Tel el Sultan, Khan Danoun, Khan Eshie and Khan Younis camps, as well as the ongoing Palestine refugee records project. It also underlined the need for donor countries to continue to enhance their contributions to the UNRWA budget at the current critical stage so that UNRWA can continue to fulfil its mandate until a just settlement to the refugee issue has been implemented, in accordance with relevant United Nations resolutions.

The Commission expressed great appreciation to the host Governments for the continuing support and services they provide to Palestine refugees and also recognized the important contribution made by the Palestine Liberation Organization and the services it provides to the Palestine refugees.

The Commission expressed its warm appreciation for your personal commitment to the service of the refugees and the effective leadership you are providing to the Agency at a particularly difficult period in its history.

(*Signed*) Koichi **Obata**
Chairperson of the Advisory Commission

Chapter I

Overview

1. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established pursuant to General Assembly resolution 302 (IV) of 8 December 1949. The Agency became operational on 1 May 1950, and began responding to the immediate humanitarian needs of about 880,000 Palestine refugees in the region. Over the past five decades, the Agency has grown into one of the largest United Nations programmes, employing over 24,000 staff members, including teachers, health workers, social workers and other service providers. The Agency operates some 900 facilities providing education, health, relief and social services, and runs a microfinance and microenterprise programme, for a growing population of refugees who now number over four million. UNRWA provides its services in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. About one third of the refugees live in camps that are administered by the respective governmental authorities. A number of the Agency's installations are also located in the camps and its services are, for the most part, rendered directly to the beneficiaries. While the Agency's services are funded directly from its budget, where appropriate and possible, refugees contribute to the cost of the services through co-payments, self-help schemes, participation fees and voluntary financial contributions.

2. The Agency's services for the refugees include the following broad categories: elementary and preparatory education; vocational and technical training; comprehensive primary health care, including disease control and family health; assistance towards hospitalization; environmental health services in refugee camps; relief assistance to vulnerable households; and developmental social services for women, youth and persons with disabilities. The Agency has developed a successful microfinance and microenterprise programme which assists in developing the entrepreneurial skills, the income-generating capacity and self-reliance of the refugees. In addition to its regular programme, the Agency undertakes a range of infrastructure projects to improve the living conditions of the refugees. As a result of the ongoing crisis in the occupied Palestinian territory, UNRWA has implemented a comprehensive programme of emergency activities for the Palestine refugees which includes the provision of food aid, cash assistance, emergency employment generation, shelter repair and reconstruction, remedial education, and the provision of emergency health services, including trauma counselling and psychological support.

3. An important development during the reporting period was the crisis in Iraq. UNRWA was actively involved in the United Nations contingency planning efforts before the conflict erupted, and has followed developments closely as they affect tens of thousands of Palestinians living in Iraq, many of them Palestine refugees. UNRWA has remained in close touch with the Office of the United Nations High Commissioner for Refugees (UNHCR) throughout the crisis to address the needs of the persons affected. The Agency also participated in delivering emergency assistance to Palestinian families fleeing the conflict and temporarily accommodated in tented camps on the Jordanian-Iraqi border. As a result of the looming conflict, the United Nations Security Coordinator declared security phase III in the occupied Palestinian territory, Jordan and Israel, forcing the Agency to relocate "non-essential" staff and all dependants between March and April 2003.

4. During the reporting period, the conditions of strife in the occupied Palestinian territory persisted. Suicide bombings inside Israel continued, causing heavy loss of life. The reoccupation by Israeli forces of almost all of the West Bank and Gaza Strip and ensuing large-scale military operations caused heavy loss of life and widespread damage to and destruction of Palestinian property and infrastructure, including governmental institutions, residential buildings, water and electricity supply systems, and sewerage disposal systems.

5. There was a significant increase in the incidence of large-scale military incursions into refugee camps, in particular in the Gaza Strip, during the reporting period. As a result, the number of fatalities rose markedly and demolition of refugee shelters by the Israel Defense Forces (IDF) increased significantly. No less than 506 refugee shelters were destroyed and 1,518 were damaged in the Gaza Strip.

6. The severe economic downturn that the Palestinian economy had been experiencing since September 2000 intensified during the reporting period. Labour flows have virtually ground to a halt as closures and other measures continued to keep large numbers of Palestinians unemployed. According to a World Bank report published in May 2003, 92,000 Palestinians had lost their jobs in Israel and the Israeli settlements while another 105,000 jobs had been lost in the occupied Palestinian territory. Unemployment remained at a very high level, reaching 30 per cent at the end of the third quarter of 2002. Real gross national income shrank by 38 per cent from its 1999 level at the end of 2002. Real per capita income fell by 46 per cent, and total investment declined by approximately 90 per cent during that same period. As a result, approximately 60 per cent of the Palestinian population was living below the poverty line.

7. Once again, UNRWA too was a direct casualty of the continuing hostilities in the occupied Palestinian territory. Six UNRWA staff members were killed during the period: Maher Saqallah, Iain Hook, Ahlam Riziq Kandil, Usama Hassan Tahrawi, Majed Hussein Al-Sleibi, and Ibrahim Al-Othmani. A particularly tragic event was the death by Israeli sniper fire of Mr. Iain Hook, UNRWA's project manager in Jenin, who was killed inside a clearly-marked UNRWA compound, while arranging for the evacuation of his staff as a result of an Israeli military operation. During the reporting period, 64 staff members were detained by the Israeli authorities, and the Agency was systematically refused access to members of its staff in detention, only one of whom was charged with any offence.

8. The Agency is indebted to its staff and acknowledges their dedication and loyalty in such difficult and often dangerous circumstances. It notes with regret that UNRWA's 12,000 local staff in the occupied Palestinian territory are ironically the only United Nations staff members working in the area who do not receive hazard pay, whereas they are arguably the most exposed to immediate danger. Efforts at solving this anomaly with United Nations Headquarters were ongoing, but have unfortunately not yet succeeded.

9. The environment in which the Agency had to carry out its operations in the occupied Palestinian territory continued to affect negatively its ability to deliver services. The World Bank estimated that the physical damage from the conflict had reached a figure of about $728 million by 30 August 2002. Among the buildings damaged and equipment destroyed were UNRWA installations, such as schools, training centres, and health-care facilities. Closures and checkpoint delays prevented schools from operating normally as large numbers of teachers and students could not

reach their schools or return to their homes. Office workers, doctors and nurses could not reach their health centres and clinics, trucks carrying humanitarian supplies could not reach their destinations in time, ambulances were delayed or prevented from moving patients needing urgent treatment, and UNRWA school buildings were taken over by Israeli forces and used as bases and detention centres. Agency vehicles were fired on, and staff members were killed, injured, beaten or humiliated by Israeli soldiers. In all such incidents, the Agency protested to or informed the Israeli Ministry of Foreign Affairs and the Israel Defense Forces. They were reminded of their obligations under the 1946 Convention on the Privileges and Immunities of the United Nations and the 1967 bilateral Comay-Michelmore Agreement between the Agency and the Government of Israel as well as international norms on the issue of humanitarian access (see chap. IV). There were also a few instances where Palestinian militants entered UNRWA premises. The Agency took immediate steps to effect their removal from the installations and protested to the Palestinian Authority, which responded promptly and effectively.

10. In the West Bank, military operations carried out by Israeli forces, which included the imposition of curfews and closures and the creation of closed military zones, had an adverse impact on the Agency's ability to carry out its humanitarian functions in support of the Palestine refugees. Movement of humanitarian goods, particularly in places where supplies of food, medicines and other items were urgently needed, was often blocked, delayed or made very difficult. In a number of instances, UNRWA vehicles and staff had to face life-threatening situations as they came under fire from Israeli forces.

11. In the Gaza Strip, the external closures imposed on the area and the internal closures that effectively bisected or trisected the Strip for significant periods of time led to severe disruption in the delivery of UNRWA humanitarian supplies to distribution centres and other installations. At the same time, the Agency's staff working at the headquarters and the field office in Gaza City could not reach their work places from cities and refugee camps in the centre and the south of the Strip. Following a suicide bombing in Tel Aviv in May 2003, the Israeli authorities imposed severe restrictions on the movement of UNRWA's international staff into and out of the Gaza Strip, stranding senior officials on either side of the Erez crossing. These unprecedented restrictions considerably impaired the ability of UNRWA to function effectively. Intensive efforts on all sides did not yield significant results in addressing these new obstructions during the reporting period. Access to and from the Agency's headquarters continued to be highly unpredictable.

12. During the visit of the Personal Humanitarian Envoy of the Secretary-General, Ms. Catherine Bertini, extensive discussions were held with the Israeli authorities to establish and put into practice measures to facilitate the work of international humanitarian organizations. Numerous efforts have been made to strengthen liaison functions between UNRWA and other United Nations agencies on the one hand, and the Israeli authorities on the other, with a view to securing improved humanitarian access. While the commitments entered into between Ms. Bertini and the Israeli authorities were but a modest gesture and fell far short of international obligations incumbent upon Israel, implementation of these commitments was sporadic and largely symbolic. The constraints imposed upon the Agency hampered its ability to implement its humanitarian and human development mandate to a considerable degree during the reporting period.

13. UNRWA sought to alleviate the suffering of the Palestine refugee community in the occupied Palestinian territory during the reporting period. As described in previous reports of the Commissioner-General to the General Assembly, UNRWA has put into place an extensive emergency assistance programme for refugees affected by the strife. UNRWA's largest activity has been the provision of food aid to over 1.3 million refugees. Its emergency employment programme has generated 1,724,329 workdays in 2002. UNRWA also provided remedial education to its pupils and psychological counselling to children and adults during the reporting period.

14. The Agency also provided temporary accommodation and emergency assistance to the refugees when their shelters were destroyed. It launched several re-housing projects to afford the refugees new dwellings which conform to standards of minimum human decency. In the West Bank, after a year of heavy destruction, as a result of the intensive Israeli military operations inter alia in March and April of 2002, UNRWA expanded its shelter rehabilitation and re-housing programmes. Reconstruction of the destroyed area of Jenin camp, large-scale shelter repair and rehabilitation of water and sewerage networks was undertaken during the reporting period. Meanwhile the rhythm of shelter destruction in the Gaza Strip increased significantly, necessitating the expansion of major reconstruction and re-housing programmes there. The Agency managed to provide 201 new housing units and repaired 5,887 refugee shelters, but it was not able to keep up with the pace of shelter destruction.

15. To facilitate the Agency's activities under its emergency programme, the Operational Support Officers programme was expanded in the West Bank and re-introduced in the Gaza Strip. The programme played a crucial role in facilitating the delivery of humanitarian goods, safe passage of Agency staff through checkpoints and more generally enhancing the proper implementation of Agency programmes in accordance with United Nations norms.

16. Appeals for assistance from the international community to fund the Agency's emergency programme in the occupied Palestinian territory were first launched in October and November 2000. During the reporting period, appeals were launched for 2002 ($172.8 million) and for the first half of 2003 ($93.7 million).

17. The international community's response to these appeals in 2000 and 2001 was prompt and generous. The response to the appeals for 2002 were slower and at the end of that year, only $96.8 million had been pledged. There was a further erosion of donor support to the emergency in 2003, as only 40 per cent of the appeal for the first half of the year ($37.3 million) was pledged. It was clear that other crises had to some extent diverted the attention of traditional donors from the Palestinian issue. It must be stressed that continued support for UNRWA's Emergency Appeal is crucial to the survival of the Palestine refugees in the occupied Palestinian territory. The Agency's emergency assistance programme has been instrumental in relieving economic hardship and alleviating the effects of the cycle of violence on the refugees.

18. The end of the reporting period saw the emergence of a glimmer of hope. The adoption of the road map proposed by the "Quartet" (the United Nations, the European Union, the United States and the Russian Federation), and the first efforts regarding its implementation, did not yield concrete results in the reporting period itself, but it was fervently hoped that this would be the case in the near future. It must indeed be noted that even if the road map would be implemented in the coming

months, the damage done would still require years of rehabilitation and reconstruction efforts to restore economic and social stability and gradual improvement in the lives of the refugees to the status quo ante. Meanwhile emergency assistance will continue to be indispensable for a large proportion of the Palestine refugee population in the occupied Palestinian territory. During the current reporting period, the Government of Israel proceeded with the construction of a "separation wall" inside the West Bank. The Agency fears that the wall, when completed, will impoverish and isolate thousands of refugee families and will constitute a new and formidable obstacle to the delivery of essential UNRWA services to refugees living in the vicinity of the wall, along the entire length of its route.

19. During the reporting period, UNRWA continued to implement its regular programme, providing education, health, social services and microcredit assistance to Palestine refugees in its five fields of operation. It also vigorously pursued its processes of internal management reform, with a view to enhancing the Agency's overall efficiency and effectiveness.

20. UNRWA's education programme is its largest activity: it currently runs 651 schools providing basic and preparatory education to approximately 490,000 pupils (of which 50.1 per cent are female), as well as five secondary schools in Lebanon, eight vocational training centres and three teacher training colleges. It has benefited since its inception from its close cooperation with UNESCO, which funds crucial senior managerial and technical posts within the Agency and provides it with ongoing technical assistance and general guidance. The Agency's schools follow the national curricula of the host countries in each of its five fields of operations. As a result, the Agency is required to implement all improvements and enhancements to the curriculum introduced by the host country authorities. Because of its precarious financial situation, UNRWA has been struggling to keep pace with such developments, which include the introduction of a tenth year in basic education in the occupied Palestinian territory, English language in elementary schools in Jordan and computer science in Jordanian and Syrian preparatory schools. The Agency's university scholarship programme was being discontinued due to financial constraints, a decision which in time will inevitably affect the Agency's capacity to attract trained medical staff for its health centres. Financial constraints have also hampered the modernization of the curriculum and infrastructure of the Agency's vocational training centres, endangering the effectiveness of these centres of excellence. Despite the financial challenges, UNRWA's Education Department continues to implement reform and improvement of internal processes within the framework of its five-year development plan, as well as specific projects such as the Computer Information Technology Initiative. Enrichment material advocating tolerance and peaceful conflict resolution has been successfully introduced Agency-wide. In the reporting period, UNRWA continued its introduction of limited secondary schooling in Lebanon, as a result of continued restrictions in access for Palestine refugees to the Lebanese public education system. In the West Bank and Gaza Strip, operations were severely hampered by the ongoing crisis. Israeli military action tragically left 40 pupils dead and 85 injured in the reporting period. The loss of schooldays rose to approximately 52,000, and the reporting period showed declining examination pass rates in the Agency's schools as a result of the strife. UNRWA's emergency programme hence included remedial and compensatory education for approximately 40,000 pupils.

21. Technical supervision of UNRWA's health programme is provided by WHO, which also supplies the services of senior management staff and short-term consultants, technical literature and publications. The Agency's current focus is on sustaining adequate levels of investment in primary health care (with special emphasis on maternal and child health and disease prevention and control), enhancing the process of institutional capacity-building and developing its human resources. Management reforms implemented during the reporting period led to the introduction of new systems relating to health information, hospital management and drug supply management. The situation in the occupied Palestinian territory has caused a significant deterioration of the refugees' health: various studies document the increasing prevalence of acute and chronic malnutrition as well as iron deficiency anaemia and low birth weight. UNRWA's health centres continue to face abnormally high workloads, with an average of nearly 100 medical consultations per doctor per day. Studies also warn of breakdowns in preventive services to women and children, resulting in a drop in infants completing immunization on schedule. Additional expenditure was incurred by the Agency following the breakdown of cost-sharing arrangements in the West Bank regarding secondary care, caused by the generalized impoverishment of the refugee population. In Lebanon, UNRWA strengthened its cooperation with the Palestinian Red Crescent Society facilities in the country, providing cost-effective secondary health care to refugees unable to afford the high cost of private hospitalization. The Agency also continued its environmental health services in refugee camps throughout its areas of operations, introducing and/or improving sewerage disposal, storm water drainage, provision of safe drinking water and refuse collection. During the reporting period, major projects were under way in the Syrian Arab Republic and Lebanon, relating to construction of water and sewerage systems in various refugee camps.

22. UNRWA's relief and social services programme addresses the needs of the most vulnerable among the refugee population, and applies a community development (self-help) approach in fostering community-based organizations with a special focus on women, children and youth, as well as physically/mentally challenged refugees. The Agency's special hardship programme is in increasing demand due to the difficult socio-economic situation in Jordan, continuing restrictions on employment of Palestine refugees in Lebanon, and the crisis in the occupied Palestinian territory. The current trends in the programme clearly point to a feminization of poverty among the refugees, as the incidence of female-headed vulnerable households increases. Shelter rehabilitation has continued insofar as extrabudgetary funding was forthcoming, as the current state of the General Fund does not allow such activities to be funded from the Agency's regular budget. During the reporting period, provision of land by the host authority enabled the Agency to launch re-housing projects in Gaza, following large scale destruction of refugee shelters.

23. Significant progress was made during the reporting period in the implementation of the Palestine Refugee Records Project, made possible through extrabudgetary funding. This project will ensure a major improvement in the quality of refugee registration data, as well as the safe preservation through electronic means of the Agency's archive of 16 million family file documents.

24. In addition to its traditional services, the Agency continued to promote income generation activities on two levels. One was in the overall context of its relief and social services programme, and the other was as a commercial, self-sustaining and

market-oriented microfinance and microenterprise programme. In the reporting period, the latter programme expanded its operations into Jordan and the Syrian Arab Republic. In the reporting period, it provided 8,910 loans worth $6.01 million in the region. Women entrepreneurs received 43 per cent of the loans. This award-winning programme of the Agency came under great strain owing to the severe decline in economic conditions in the occupied Palestinian territory since October 2000. The continuation of that economic decline resulted in the programme's inability to maintain its normal state of financial self-sufficiency for a second year. By June 2003, the lending outreach in Gaza increased to 1,141 loans (923 in the previous period) valued at $806,175 (vs. $655,276) but still showed a sharp decline when compared with 1,304 loans amounting to $1.46 million in September 2000.

25. While the Agency's financial constraints have tended to necessitate attention to short-term priorities, the Agency has nevertheless persisted with its long-term internal reform process. Since its inception, UNRWA has continuously adapted to the rapidly changing political environment in the region while catering to the needs of Palestine refugees. The reform process focuses on improvement in the efficiency and effectiveness of the management of the Agency's resources, the cultivation of an open management culture, the strengthening of strategic planning capabilities, expansion and improvement in the Agency's relations with donor countries, host countries and the agencies and programmes of the United Nations system, and increased responsiveness, effectiveness and efficiency of the Agency's operations in providing services for the refugees against the background of changing socio-political conditions. The Agency also continues to seek ways to enhance and improve its relationship with all its stakeholders. The introduction of more informal thematic sessions at UNRWA's informal meetings of major donors and host countries is an example of such enhanced interaction. The need to be in ever closer touch with donor and host Governments throughout the areas of the Agency's operations led to the redeployment of some of the Agency's external relations staff. The Department of External Relations is also increasing its efforts to broaden the Agency's donor base by approaching non-traditional donors as well as stimulating individual and private sector contributions.

26. Administration and human resources reforms within the Agency included progress in shortening the comprehensive procedures for recruitment, and in the current critical situation in the area, greater use of short-term contracts to speed recruitment and save administrative and personnel costs. In the reporting period, the Agency faced increased challenges in many of its recruitment processes as a result of Israeli restrictions to staff freedom of movement, inordinately long delays in the granting of visas for international staff and restrictions on visits to UNRWA headquarters by prospective staff members for interviews. The Streamlining of Area Staff allowances was undertaken and was expected to reduce the processing time and costs. Despite the continuing underfunding of its regular budget, the Agency attempted to narrow the compensation gap created by the implementation of the 1999 Area Staff Rules, which were introduced as an inevitable austerity measure and have eroded the Agency's competitive position as regards recruitment and retention of qualified staff.

27. UNRWA's Finance Department focused its reform efforts on improvements in the efficiency and effectiveness of its resource management. An important project was the completion of a new finance, payroll and human resources system. This has been made possible by donor-funded extrabudgetary assistance. The new financial

system is expected to improve financial control and help attain a higher level of accountability and transparency in all field operations. The new payroll system replaced manual payroll processing (reducing paperwork, time spent and personnel costs), increased online accessibility of information through an electronic database, and removed payroll anomalies by simplifying the system. The new system will also integrate human resource-focused reforms, such as training and career development planning with an employee database. The Agency plans to move on to the introduction of a new procurement system which will complete the last phase in this reform process. Staff training programmes for the new systems are also being strengthened.

28. Budgetary reform within UNRWA was initiated when the 2000-2001 budget was presented to the General Assembly. The new format is programme-based and results-oriented and specifies the objectives, targets and accomplishments of each substantive Agency programme. UNRWA has sought to continue improving the formulation of its budget for the 2004-2005 biennium, increasingly applying a results-based budgeting approach to link closely the programme's objectives and expected outcomes with the programmed activities and their ensuing budgetary allocations. The introduction of key performance indicators is now enabling all departments to monitor their programmes more closely and to undertake periodic substantial reviews of budget goals and their reflection in programme activities.

29. The Agency has enhanced its internal audit and inspection capacity by upgrading the former audit office to full department level. After being upgraded to a full department, the function of investigation was added to its responsibilities. The Department has recruited additional staff and is currently implementing a new policy on treatment of allegations and complaints. It is also actively engaged in increasing the awareness of and responsiveness to audit recommendations by programme and field directors. The audit and inspection committee has been revitalized and is now chaired by the Deputy Commissioner-General.

30. The Agency has sought to improve planning and analysis capacity at headquarters by strengthening its Policy Analysis Unit. The focus is on responsive analyses of the developing situation as it affects the refugees and the operations of the Agency, particularly in the current difficult circumstances. This involves data collection and generation, long-term strategic planning, analytical reporting and periodic assessments of the situation. These analyses have been of great assistance in policy formulation. The Unit is currently deepening its analytical grasp of the issues involved in the complex environment in which the Agency operates, to assist management in responding quickly and effectively to changing needs and demands as the situation evolves.

31. The Agency continued to strengthen its communications and information capacity thanks to an extrabudgetary contribution. A new communications strategy was being introduced progressively, aimed at improving outreach to Agency stakeholders, who include the refugees, the host countries and the international community, particularly the major donor countries. A significant increase in the media coverage of Agency activities has been realized, with the adoption of a more proactive approach to the news media, and audio-visual capacity was strengthened with the recruitment of a staff member with a background in film production. Efforts to improve coordination among the information units located in the headquarters in Gaza and the units in the five fields were set forth, with improvements in exchange

and sharing of information and in speed of response to media comment in the region. The UNRWA web site was redesigned and continued to improve both in its English and Arabic versions. In the same context, coordination with the Department of Public Information of the United Nations in New York was strengthened. The Agency also provided opportunities for its information staff to receive specialized media training in workshops organized by a private sector organization.

32. The Agency is heavily reliant on voluntary contributions to fund its regular programme operations. During the reporting period, there was renewed strain on the Agency's regular cash budget. As compared with 2001, the Agency's donor contribution income saw a drop from $282.39 million to $275.79 million in 2002. The General Assembly at its fifty-sixth session reviewed and approved the Agency's budget submission for the 2002-2003 biennium at the level of $674.82 million. Donor pledges for the budget for 2003 amounted to $293.55 million by the end of the reporting period, leaving a funding gap of $24 million which it is hoped will be covered in the remaining months of the year. Otherwise, the Agency will once again find itself in a very difficult financial situation at a time when its services are ever more vital.

33. Even if contributions were to match the Agency's approved budget, they would still only cover levels of expenditure that are minimal in relation to refugee needs. For example, in education, the Agency's largest programme, 77.1 per cent of schools operate on a double-shift basis owing to a shortage of school buildings. In the Jordan field, where the largest number of refugees reside, 92 per cent of schools operate in double shifts. In local government schools, the situation is the reverse, with approximately 90 per cent being in single-shift operation. Classroom occupancy rates continue to average 44.3 pupils per class, and in some fields this figure rises to 47.1 per class. For the immediate future, the Agency is compelled to plan on the basis of double shifts in its schools, which has adverse effects on the quality of education by reducing teaching time, eliminating extracurricular activities and, at the same time, raising maintenance costs. Teacher salaries are at levels where the Agency is experiencing difficulties in recruiting and retaining qualified staff. Similarly in the field of health, increasing pressures were felt as health staff had to cope with inordinately high numbers of patients. An increasing refugee population has also meant higher numbers of special hardship cases requiring relief. The Agency's relief and social services staff has had to deal with 233,044 special hardship cases in the reporting period, compared with 229,404 in the preceding year. These pressures have increased substantially as a result of the conditions of strife in the West Bank and the Gaza Strip.

34. Chronic underfunding of the Agency's regular programmes has had an adverse impact on the Agency's human resources and infrastructure, thus affecting the programme services it provides for the refugees. The financial situation requires concerted steps by donor countries to increase their contributions to UNRWA to keep pace with the increase in the refugee population, to eliminate the structural deficits in the Agency's budget and to re-establish a sound basis for its future financial viability. Those steps would also bring an end to the end-of-financial-year crises that the Agency has had to cope with in recent years. The preservation and further strengthening of the Agency's recognized capacity to deliver human development and to deal with humanitarian emergencies is essential if the refugees are to be provided with adequate services. This capacity will ultimately be undermined in the absence of the required financial resources over the longer term.

35. The Agency's operations have been sustained over the past five decades with the generous assistance not only of its major donor countries, but of its host countries as well. Over the reporting period, the Agency has continued to receive the strong support of the Governments of Jordan, Lebanon, the Syrian Arab Republic as well as the Palestinian Authority in conducting its operations. Chapters V to IX of the present report provide detailed information on how the Agency has been carrying out its mandate in its five fields of operation.

36. In the occupied Palestinian territory, the living conditions of the refugees have been severely affected by the violence and the Israeli closures, destruction of institutional property and other measures against the Palestinian Authority and the population. The impact of these measures and the Agency's response have been described in the earlier paragraphs and in chapter IV. During the reporting period, significant progress was made in solving the outstanding issue related to reimbursement of VAT paid by the Agency to the Palestinian Authority. The Agency's regular budget allocation for the occupied Palestinian territory was $154 million in 2003 compared with $149.1 million in 2002.

37. The largest number of Palestine refugees reside in Jordan. The majority of them enjoy full Jordanian citizenship and are able to work in government offices and throughout the local economy, and have access to governmental institutions and developmental and other assistance. The Government of Jordan has reported expenditures amounting to $423,121,161 on behalf of Palestine refugees and displaced persons during the reporting period. This covers services such as education, rent and utilities, subsidies and rations, camp services, health care, public security and social services. The Agency's regular budget allocation for the Jordan field was $72.7 million in 2003 compared with $71.1 million in 2002.

38. Palestine refugees in Lebanon are among the most disadvantaged. They have only limited access to government services and have to depend almost entirely on the Agency for basic education, health and relief and social services. Lebanese authorities continued to restrict construction in certain refugee camps, and entry of construction materials continued to be subject to military approval, which was not always granted. Palestine refugees in Lebanon suffer from poor living and housing conditions and high rates of unemployment. New legislation aims at preventing refugees from buying immovable property and depriving them of their inheritance rights. There are similar attempts to retroactively annul the Lebanese nationality obtained by certain refugees in 1994. The UNRWA regular budget allocation for Lebanon field was $50.1 million in 2003 compared with $48.2 million in 2002.

39. Palestine refugees in the Syrian Arab Republic continued to have full access to government services. The Government of the Syrian Arab Republic reported expenditures of $93,722,541 on behalf of the refugees during the reporting period. These covered education, health, housing, utilities, security, supply costs and social services. In addition, the Palestine refugee population and the Syrian Arab Popular Committees have also provided significant amounts of financial support to UNRWA's emergency activities in the occupied Palestinian territory. The Agency's budget allocation for the Syria field was $26.8 million in 2003 compared with $26.2 million in 2002.

40. UNRWA maintained close cooperation with a number of United Nations agencies, including the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the

Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the Office for the Coordination of Humanitarian Affairs (OCHA), the United Nations Special Coordinator in the Occupied Territories (UNSCO), the World Health Organization (WHO), the World Food Programme (WFP), and the Joint United Nations Programme on HIV/AIDS (UNAIDS). The Agency also cooperated with local and international non-governmental organizations in its five fields of operation. In particular, it enjoys an excellent working relationship with the International Committee of the Red Cross (ICRC) and the Palestinian Red Crescent Society (PRCS). In order to fulfil the responsibilities of the Commissioner-General as the United Nations Designated Official for the overall security and protection of United Nations staff and family members in Israel, the West Bank and the Gaza Strip, UNRWA maintained contacts with the United Nations Truce Supervision Organization (UNTSO). UNRWA also continued to participate in the multilateral aid coordination structures for the occupied Palestinian territory, facilitated by the Office of the United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority (UNSCO). In the reporting period, UNRWA actively contributed to the strengthening and improving of mechanisms coordinating the United Nations system's response to the humanitarian emergency in the occupied Palestinian territory, chairing the Operational Coordination Group (OCG) to which the Office for the Coordination of Humanitarian Affairs (OCHA) of the United Nations Secretariat provides solid secretariat support. The Agency also participated in the drafting of the 2003 Humanitarian Action Plan (HAP) for the occupied Palestinian territory compiled by OCHA and is a member of the numerous aid coordination forums in place.

41. UNRWA entered the fifty-third year of its operations in 2003. By its resolution 56/52 of 10 December 2001, the General Assembly renewed the Agency's mandate until June 2005. The Agency has, over the decades, become the symbol of the international community's commitment to the well-being of the Palestine refugees until a just and durable settlement of the refugee problem is achieved. Maintaining the quality and extent of the Agency's services is essential to the international community's interest in terms of its humanitarian commitment, its engagement in favour of human development and its desire to promote regional stability.

Chapter II
General developments in Agency programmes

A. Education

42. *Objectives*. The Agency's education programme seeks to impart Palestine refugees with the requisite knowledge base and skill-set that will develop their human potential and enable them to become self-reliant, productive members of their communities. The programme is consistent with the identity and cultural heritage of the refugees. It seeks to inculcate a spirit of interdependence and tolerance among refugee pupils towards differences among individuals and groups. It also aims to foster awareness and promotion of fundamental human rights. These objectives are geared to preparing refugee pupils for the multifaceted challenges and uncertainties of a rapidly changing world and to competing successfully at higher levels of education and in the job market. The Agency's Department of Education aims to fulfil this mission through its four main programmes: general education; teacher education; vocational and technical education; and education planning and management.

43. *Elementary and preparatory schooling*. The basic education programme of UNRWA consists of a six-year elementary cycle and a three-year or four-year preparatory cycle, depending on the educational system of the host authorities, which UNRWA follows. There were a total of 488,657 pupils enrolled in the 2002/2003 academic year in 651 UNRWA schools in the five fields of operation. Total enrolment increased by 1.04 per cent, or 5,006 pupils, over the 2001/2002 academic year, though it was not evenly distributed. While the enrolment in the West Bank and the Gaza fields grew by 2.53 per cent and 2.36 per cent respectively, the Lebanon, Syrian Arab Republic and Jordan fields registered negative growth of 0.39, 0.23 and 0.41 per cent respectively. These trends are explained by, inter alia, natural growth in the refugee population, transfer of refugee pupils from Agency schools to government schools and transfer of refugee pupils from tuition-based private schools to Agency schools. The Jordan and Gaza fields each accounted for approximately one third of total Agency pupil enrolment. The UNRWA school system continued to maintain full gender parity, with 50.1 per cent of pupils being female. Under existing exchange agreements between UNRWA and the host authorities to provide schooling for pupils in remote areas, 216,676 refugee pupils were reported to have enrolled at government and private schools at the elementary and preparatory levels. Some 39,084 non-refugee pupils attended UNRWA schools at the elementary and preparatory levels.

44. *Secondary schooling*. UNRWA offered secondary-level education on a limited scale in the Lebanon field in order to address the issues of low access of Palestine refugees to government schools and the prohibitively high cost of private schools. There were a total of 2,292 pupils enrolled in five secondary schools in Burj El-Barajneh, Ein El-Hilweh, Rashidieh, Baddawi and Wavel camps during the 2002/2003 academic year. According to Agency estimates, approximately 70,413 refugee students in all fields were studying at government and private secondary schools.

45. *Education infrastructure*. Increasing enrolment, the consequent need to accommodate new pupils and the drive towards improving the learning environment

has necessitated the continued maintenance and upgrading of education infrastructure of UNRWA. Enrolment growth exceeds the infrastructure capacity of Agency schools. Between the 1993/1994 and 2002/2003 academic years, the number of school buildings increased by 0.97 per cent and the number of schools increased by 2.5 per cent, whereas the total enrolment increased by 23.1 per cent. Overcrowding within the Agency's education system continued, with the average classroom occupancy rate at 42.2 pupils in the 2002/2003 academic year. Occupancy was highest in the Gaza Strip at 47.1 pupils per classroom and lowest in Lebanon at 36.4. Many UNRWA schools, particularly those constructed in the 1960s, have become dilapidated, a problem exacerbated by the lack of sufficient funds for maintenance. The Agency continued to seek project funding for the improvement and expansion of its education infrastructure. The number of UNRWA schools increased from 644 in the 2001/2002 academic year to 656 in the 2002/2003 academic year. Newly constructed schools were larger and had adequate classroom sizes, science laboratories, libraries, computer laboratories and playgrounds. The newly constructed schools helped to reduce running costs and to provide a better educational environment. During the reporting period, the Agency completed the construction of eight school buildings, 89 additional classrooms (to avoid triple shifting and to replace unsafe/dilapidated classrooms), 18 rooms equipped for specialized activities, nine water tanks and three canteens. A total of 11 school buildings, 96 classrooms and 21 specialized rooms are under construction.

46. *Double shifting*. As enrolment exceeded the capacity of the existing school infrastructure and construction could not keep pace owing to the Agency's financial constraints, UNRWA had to resort to operating schools on a double-shift basis, i.e., housing two separately administered schools in a single building. UNRWA aims to reduce the number of schools operating on a double-shift basis. However, despite the expanded programme of school construction since 1993 under the Peace Implementation Programme, there has been a slightly significant improvement in the rate of double shifting between the 1992/1993 academic year (75 per cent) and the 2002/2003 academic year (77.1 per cent). The education department has had to maintain its policy of considering double shifting as a major planning assumption for budgetary purposes to avoid triple shifting. The latter would further reduce teaching time, exclude extra-curricular activities and increase maintenance costs.

47. *Rented schools*. In the past, the Agency rented premises for some of its schools, mostly outside refugee camps. Such rented buildings generally lacked adequate classroom space, proper lighting and ventilation and space for extra-curricular facilities. The situation resulted in cramped conditions for pupils and staff and also increased costs by limiting the number of pupils that could be accommodated in each classroom. In the 2002/2003 academic year, the classroom occupancy at rented schools averaged 29.91 students per class as compared to 44.3 students per class at Agency-built schools due to smaller sizes of available classrooms. UNRWA had aimed to replace all rented school premises with Agency-built schools, subject to the availability of project funding and appropriate plots of land. Through project funding, the Agency managed to reduce the number of rented premises by 18.1 per cent from 94 in the 1993/1994 academic year to 77 in 2002/2003. The 77 rented premises housed 113 schools, with the Lebanon and Jordan fields having the largest numbers of such schools.

48. *Education reform by host authorities*. The Agency's education programme continued to adhere to the education curricula of the host authorities, necessitating

the introduction of changes in UNRWA school curricula when such changes were made in host authority curricula. The extension of the basic education cycle in the occupied Palestinian territory from 9 to 10 years was the most significant change. The Agency was unable to introduce the 10th grade owing to financial constraints. The Palestinian Authority, therefore, accommodated the 10th grade students in its schools. A new Palestinian curriculum was introduced for the 1st and 6th grades in 2000/2001, for the 2nd and 7th grades in 2001/2002, and for the 3rd and 8th grades in 2002/2003 to replace the Jordanian curriculum in the West Bank and the Egyptian curriculum in the Gaza Strip. In the Syrian Arab Republic, a new study plan, new curricula and textbooks for the elementary and preparatory cycles were gradually introduced. The new format for the 6th elementary grade was fully implemented in UNRWA schools in 2002/2003 while the new format for the 7th grade was implemented in selected UNRWA and government schools. UNRWA also introduced Computer Science for 8th grade in its schools, following the introduction of the subject in government schools. In Jordan, computer science was introduced during the reporting period in the preparatory cycle in the 7th grade in government schools. UNRWA introduced computer science for the 7th and 8th grades.

49. *Remedial and special education*. The Agency's remedial and special education services are geared towards maintaining achievement levels and enabling slow-learning students and pupils with learning difficulties to benefit fully from the Agency's basic education services. Such measures for pupils included remedial classes, voluntary extra class periods, audio-visual programmes, curriculum enrichment materials and self-learning kits. In the 2002/2003 academic year, those activities benefited 850 slow learners, 1,138 pupils classified as remedial cases, 11 blind children, 81 deaf children and 115 handicapped. In the absence of sustained project funding for special education, the Agency explored ways to provide assistance for all children with learning difficulties at no additional cost by utilizing the Agency's available resources and expertise.

50. *School councils*. School councils were present in all Agency schools, with each council consisting of 10 members: the head teacher (chairperson), three teachers, three members selected from the local community and three students. The councils helped maintain cooperation between the school and the local community.

51. *Vocational and technical training*. The total number of training places in the eight UNRWA vocational and technical training centres in the five fields of operation was 5,101 in the 2002/2003 academic year, an increase of 210 compared with the previous year. At the post-preparatory level, 22 two-year vocational training courses were offered and, at the post-secondary level, 32 two-year technical/semi-professional courses were offered to trainees in a variety of technical, paramedical and commercial subjects. Women accounted for 64.17 per cent of all trainees enrolled in technical/semi-professional courses in 2002/2003. Courses varied from centre to centre, according to the needs of local labour markets and the availability of training opportunities at other institutions. Owing to financial constraints, the Agency was unable to introduce new courses or expand the capacity of the existing ones except by discontinuing old courses. In addition to the two-year training courses, Agency training centres in Jordan, the West Bank, the Syrian Arab Republic, Lebanon and the Gaza Strip offered short-term training courses of up to 33 weeks' duration, organized on an ad hoc basis in cooperation with governmental and non-governmental organizations or the Palestinian Authority. During the 2002/2003 academic year, 654 trainees were enrolled in 15 such courses offering

training in a wide variety of disciplines. Furthermore, one Cisco regional academy was established at Kalandia training centre. This raised the number of local academies at training centres to six.

52. *Training courses*. In the year 2002/2003, UNRWA training centres offered 22 trade courses in the fields of mechanical, electrical, building and vocational courses for girls and 32 technical/semi-professional courses in the field of technical, paramedical, commercial and home management. During the year under review, UNRWA introduced new training courses with a higher employability, including electronic control, computer applications, banking, marketing and financial management, telecommunications, and fashion design. Training courses are open for both male and female trainees, with the exception of Ramallah Women Training Centre (RWTC), which is for females only.

53. *Education science faculties*. The three branches of the educational science faculties in Jordan and the West Bank continued to provide pre-service training leading to a first-level university degree, as part of a process of upgrading the qualifications of Agency teaching staff to meet the revised standards set by Jordan and the Palestinian Authority. The four-year pre-service programme that grants university-level degrees was offered to 1,035 secondary school graduates, including 684 women. During the reporting period, 230 students graduated from the pre-service programme. Of the 199 pre-service graduates in 2000/01 from the three education science faculties, 167 were recruited by the Agency in 2001/02. In addition, 71 trainees graduated in 2001/2002 from the Siblin Training Centre and all of them were recruited by the Agency in 2002/2003.

54. *Institute of education*. UNRWA provided in-service training through the UNRWA/UNESCO Institute of Education to promote and improve the professional competencies of Agency teachers, head teachers and school supervisors. The training was implemented in cooperation with the five education development centres. In 2002/2003, the total number of teachers, head teachers and school supervisors enrolled in the in-service training in the five fields was 921, of whom 521 were taking courses lasting from one to two years, while the remaining 400 trainees were new teachers appointed according to the UNRWA area staff rules or converted from contract teachers. Activities related to in-service training included planning, organizing and preparing training programmes and instructional materials.

55. *University scholarships*. Budgetary constraints have forced the Agency to discontinue its contribution from the general budget to the Agency's scholarship subprogramme since 1997/1998. However, the Agency continued, with project funding, to support some scholars until they graduated. In 2001/2002, 140 scholars graduated and one failed; the number of continuing scholars was 56, of whom 27 were women. At the close of the reporting period, scholars were studying in 10 universities in six countries in the Middle East. All scholarship recipients were studying medicine (100 per cent). The scholarship awards ranged in value from $200 to $1,000 per year, depending on university tuition rates.

56. *Placement and career guidance*. The Agency offered placement and career guidance services to Palestine refugee graduates of Agency training centres and other educational institutions to facilitate their employment. Such counselling services were offered to pupils in the Agency's preparatory schools and government secondary schools to familiarize them with the training courses available at the Agency's training centres. The Agency continued to follow the employment

histories of its graduates and their career performance after the initial period of employment. Of the 2,132 graduates from UNRWA vocational training centres in 2000/2001, 1,556 or 73 per cent, were employed in 2002. The Agency's placement and career guidance office facilitated the work of employers' recruiting teams, helped match candidates with vacancies and made candidates aware of available job opportunities. UNRWA also carried out periodic surveys of market demand in order to achieve a better match between training courses and job requirements. Based on the survey findings, new training was introduced at the vocational training centres in communication skills, creative job skills, interpersonal skills, computer skills and the adoption of the English language empowerment project. Accordingly, new courses were introduced, such as banking and financial management in Damascus Training Centre.

57. *Programme budget and administration*. The education programme remained the largest single area of activity in the Agency, with 17,047 education staff (including teaching and administrative staff), representing 72 per cent of all Agency staff, while the programme budget of $179 million for 2003 amounted to 52 per cent of the total Agency budget. Actual cash expenditure for 2002 was $175.45 million, representing 60 per cent of total Agency expenditure. In all fields except Gaza, nominal contributions at prescribed rates were collected from pupils and trainees on a voluntary basis to improve facilities and equipment in schools and training centres. Overall contributions collected in 2002/2003 amounted to $515,808. Other forms of community support for the education programme included donations of equipment, furniture, photocopiers, tape recorders, videos, overhead projectors, personal computers, printers and other equipment and supplies.

58. *Special projects*. The Computer Information Technology Initiative (CITI) for vocational training centres launched in 1998 continued and resulted in upgrading of the technical training and management practices at the eight UNRWA vocational training centres. During the reporting period, Phase IV of the Computer Information Technology Initiative project supported the efforts to meet expanding host country curricular requirements and changing market needs that necessitate computerization across a range of training specializations. Phase IV also included efforts to establish an Information Technology Unit (ITU) in the education department in order to streamline information technology (IT) activities, and to upgrade computer laboratories at each vocational training centre. During Phase IV, the education department also enforced compliance with Intellectual Property Rights, as stipulated under WTO regulations. Training and certification for computer instructors, ICDL training and certification for VTE instructors and senior education staff also were carried out during Phase IV. The Kalandia Training Centre was designated a Cisco Local Academy. In full coordination and cooperation with a major donor and the senior education staff at both headquarters and the five fields, a five-year development plan (2000-2004) was prepared. The suggested plan for the year 2002/2003 was completed covering the areas of educational planning, staff and management development, vocational and technical education, education management information system, personnel and finance. Within the framework of the plan, a project was proposed to further develop management at all levels within UNRWA's education programme and to enable schools to become focal points for development. Extensive training of the concerned education staff at both the managerial and school levels was initiated to improve the management and delivery of appropriate education systems, processes and planning by staff in UNRWA at the

school, region, field and HQ levels. Over the past year, the UNRWA education department worked on a pilot project, the Development of English Language Ability (English for empowerment) project, for instructors and trainees at UNRWA Vocational Training Centres in the Jordan field to deliver competitive training in English language communication skills necessary to function in an English-speaking workplace. To that end, local and regional market surveys were carried out, English language instructors were trained on syllabus design and writing of special English for vocational courses, and a draft core textbook was produced in September 2002 with 1,000 copies for mechanical courses.

59. *Teaching tolerance and conflict resolution.* In December 1999, the Agency began a project with donor funding aimed at further strengthening and supporting UNRWA efforts to supplement existing curricular materials and to promote concepts and principles of basic human rights, to raise awareness of the importance of tolerance and to train Palestine refugee children and youth in non-violent means of conflict resolution, including the promotion of peer mediation techniques in the West Bank and Gaza fields. Enrichment materials for social studies, Arabic language and Islamic education curricula were prepared. In addition, the related teachers' manual and the students' worksheets were finalized. In 2001, six children's stories addressing human rights issues were distributed to schools in the West Bank and Gaza fields. In 2002, these stories were later produced and distributed to schools in the Syrian Arab Republic, Lebanon and Jordan fields. Training of trainers' workshops were conducted to train teachers on the utilization of these stories in actual classroom situations. Training programmes for staff in Jordan, the Syrian Arab Republic and Lebanon were prepared. In August 2002, UNRWA started the implementation of a similar project under the title "Promoting tolerance, Conflict Resolution and basic concepts of Human Rights" in the Jordan, the Syrian Arab Republic and Lebanon fields. This project is funded by the German Government for students from the 5th grade to 8th grade in 49 pilot schools and more than 300 school supervisors. Head teachers were trained on strategies of teaching tolerance, conflict resolution and basic concepts of human rights. Enrichment materials for students were prepared together with manuals to assist teachers in utilizing the enrichment materials in actual teaching situations.

60. *Impact of funding shortfalls.* Funding shortfalls directly impacted on the programme's ability to expand at a rate commensurate with growth in the beneficiary population, resulting in reduced teacher/pupil interaction, higher workloads for teaching and supervisory staff, and difficulties in hiring qualified teachers at the new salary scales. Financial constraints also limited the Agency's attempt to keep up with educational reforms introduced by host authorities, which would widen the gap between the education systems of UNRWA and the host authorities and undermine ongoing harmonization efforts. Other funding shortfalls seriously affect the education programme by reducing maintenance allocations and by cutting allocations for vocational training equipment and supplies, resulting in deteriorating school infrastructure, and the use of obsolete equipment and supplies by vocational trainees. The double shifting in UNRWA schools continued to constitute a burden on the education process with 77.1 per cent double shifting. In addition to that, UNRWA was not able to redress the problem of unsuitable rented premises for its schools. The average occupancy rate per class continued to be high at 42.9 during the reporting period. In addition, lack of funding prevented the introduction of new courses in vocational training centres. The funding shortfalls

also affected the quality of teaching and the capacity of children to learn, due to the lack of teaching aids and equipment, among other things. The quality of the in-service teacher training operation was also expected to be negatively affected due to the cut on the travel budget for Headquarters professional staff.

61. *Cooperation with the host authorities*. UNRWA's basic education programme continued to follow the curricula of the host authorities' education systems. Senior Agency education staff in all fields continued to participate in major educational development activities of host authorities.

62. *Cooperation with UNESCO, UNICEF and the League of Arab States*. The UNRWA education programme was run in cooperation with UNESCO, which continued to fund six senior managerial and technical posts at UNRWA, including the Director of Education. Of the six posts, two were international posts funded by UNESCO on a non-reimbursable loan basis, and four were area posts whose costs were covered by UNESCO. The 12th annual joint meeting of UNRWA and the League of Arab States' Council on Education for the Children of Palestine was held in Cairo in December 2002. The Council welcomed the Agency's efforts to provide Palestine refugee children and youth with educational services, despite financial constraints. UNRWA participated in the thirty-second session of the General Conference of UNESCO from 18 to 22 September 2002 in Paris. The Gaza field, in cooperation with UNICEF, conducted training of teacher counsellors for psychological intervention. In addition, in the Syrian Arab Republic, the education programme in cooperation with UNICEF conducted several courses for teachers on health education, global education and child rights.

63. *Emergency compensatory education*. During the reporting period, restrictions on the movement of Palestinians in the West Bank imposed by the Israeli authorities resulted in the loss of 1,372 school days, an average of 14.4 days per school, and in the loss of 31,874 teachers' school days, an average of 134 absentee teachers daily, constituting 7 per cent of the teaching staff. A total of 3,956 instructor's days were lost at the three training centres. Some 283 additional teachers were employed by the Agency under the Emergency Appeal in March 2003, 126 to replace teachers who were unable to make it to their workplace and 157 to extend remedial teaching to low achievers. Several other measures were taken to ensure access of teachers to schools such as deployment of teachers hired through the job creation programme, use of a graduate training programme through emergency appeal funding, and temporary exchanges of teachers between UNRWA schools and PA schools. In the Gaza field, remedial measures, which were taken to minimize the negative impact of the prevailing situation, included remedial/compensatory education programmes implemented under emergency appeals to compensate approximately 40,000 pupils affected for the time lost in schooling and to counteract the adverse effects of the current crisis on the academic performance of children. Evidence of declining performance resulting from the crisis includes deteriorating examination pass rates, a trend which the emergency compensatory education activities are helping to address. For example, the success rate for students between grades 3 and 9 who attended remedial education during the period between March 2003 and May 2003 in the Gaza field improved, in Arabic language, from 39 per cent to 80.9 per cent.

B. Health

64. *Objectives*. The UNRWA health programme aims to protect, preserve and promote the health status of Palestine refugees and meet their basic health needs, consistent with basic WHO principles and concepts and with the standards of the public sector health services in the region. The Agency's strategy is focused on sustaining adequate levels of investment in primary health care, enhancing the process of institutional capacity-building and development of human resources, improving the quality of essential services provided to Palestine refugees and aligning health policies and service standards with those of host authorities. Programme priorities during the biennium 2002-2003 continued to focus on improving primary health-care services, with special emphasis on expanded maternal health and family planning services and child health and integrated disease control; bringing about cost-efficiency through the use of appropriate technology, such as mechanization of refuse collection and disposal with a view to reducing recurrent staff costs; optimal resource utilization for enhanced programme performance; and improving the environmental health infrastructure in camps by funding water, sewerage, drainage networks, solid waste management and other projects.

65. *Impact of the emergency situation in the occupied Palestinian territory on the health programme*. The continuing strife in the occupied Palestinian territory and the repeated Israeli military incursions into camps, towns and villages have led to an increased demand for the Agency's outpatient medical care services during the reporting period. Movement restrictions imposed by the Israeli forces caused denial/delay of humanitarian access for emergency medical assistance to Palestine refugees, especially camp residents. Moreover, Israeli restrictions caused shortages of water, electricity and medical supplies and obstructed access to medical care services. UNRWA medical personnel worked under dangerous circumstances in providing emergency health services. During the reporting period, medical consultations increased by 45.1 per cent in the Gaza field and 40.3 per cent in the West Bank field. As a result of the Israeli military operations and movement restrictions, 7,881 health staff-hours were lost in the West Bank field during the reporting period. The Agency's emergency health intervention measures sought to address the additional health demands. However, the health and nutritional status indicators of the Palestine refugee population recorded disturbing trends. A multi-organizational survey conducted in the occupied Palestinian territory of urban, rural and camp communities, revealed that 13.2 per cent of children under five years of age in the Gaza Strip and 4.3 per cent in the West Bank were suffering from acute malnutrition, and that 17.5 per cent of children in the Gaza Strip and 7.9 per cent in the West Bank were suffering from chronic malnutrition. Moreover, it was found that more than 40 per cent of women in the reproductive age group were suffering from iron deficiency anaemia. Rapid assessments carried out by UNRWA and a donor-funded study to monitor trends in service delivery at the primary health-care facilities of the Ministry of Health of the Palestinian Authority, UNRWA and NGOs revealed the consequences of delayed/denied preventive health service access. They indicated a 25 per cent increase in the incidence of low birth weight, over 5 per cent drop in regular attendance of children for growth monitoring and approximately 36 per cent decline in the number of infants vaccinated on schedule in the West Bank. Destruction of camp infrastructure and cross-contamination led to an outbreak of diarrhoeal disease in Balata camp during the reporting period. Such breakdown in

the coverage and quality of maternal and child health-care services, immunization and treatment of non-communicable diseases threatened to erode the Agency's sustained achievements in primary health care and could lead to a further outbreak of diseases or cross-border transmission of infections in the region. Movement restrictions also adversely affected programmes for capacity-building and staff development.

66. *Health status*. The current demographic and epidemiological profile of Palestine refugees resembles the profile of many populations in transition from a developing to a developed stage and has much in common with both. While vaccine-preventable diseases were well under control, the prevalence of vehicle-borne and vector-borne infections was still high. Morbidity and mortality from chronic non-communicable diseases, such as diabetes mellitus and hypertension, were on the increase. Fatal diseases, such as malaria, syphilis and neonatal tetanus, were eliminated long ago and no cases of poliomyelitis have been reported among refugees since 1993. It may be noted that UNRWA operates in an area of very low prevalence of HIV/AIDS. Nevertheless, regional data on incidence of sexually transmitted diseases give reasons for concern. Women of reproductive age and children below 15 years of age constitute approximately 58 per cent of the population. Crude birth rates were as high as 40.7 per 1,000 population in the Gaza Strip, 37 in the West Bank, 30 in the Syrian Arab Republic, 29 in Jordan and 23 in Lebanon. The total fertility rate was estimated at 3.5, with the highest rate of 4.4 in the Gaza Strip. The mean marital age of women was 19.7 years Agency-wide with more than 36 per cent of refugee girls in the Gaza Strip married at or before 18 years of age. Birth intervals were generally short, with 22 per cent of women in the West Bank having birth intervals of less than 18 months.

67. *Primary care*. The UNRWA health-care programme remained focused on comprehensive primary health care, including: the full range of maternal, child health and family planning services; school health services, health education and promotion activities; outpatient medical care services; prevention and control of communicable and non-communicable diseases, and specialist care with emphasis on gynaecology and obstetrics and cardiology. These services were complemented by dental and basic support services, such as radiology and laboratory facilities (see annex I, table 6). During the reporting period, Agency outpatient facilities handled 8,290,460 medical and 583,528 dental consultations, as well as 1,181,347 visits for nursing services, such as dressings and injections. The Agency's primary health programme included rehabilitation of the physically disabled and the provision of essential medical supplies. The workload at UNRWA's general clinics continued to be high, with an average of 99 medical consultations per doctor per day Agency-wide, reaching a peak of 124 in the Gaza Strip at the end of December 2002.

68. *Health protection and promotion*. During the reporting period, UNRWA primary health-care facilities provided preventive care to 195,588 children below the age of three, representing approximately 85.1 per cent of the registered refugee population below that age, and some 79,937 pregnant women, who accounted for approximately 60 per cent of expected pregnancies among refugee women of reproductive age on the basis of current crude birth rates. The prevalence of modern contraceptive usage among women of reproductive age utilizing UNRWA maternal services was approximately 50 per cent, Agency-wide, with the highest rates of approximately 65 per cent in the Syrian Arab Republic and Lebanon. Over 21,122 family planning acceptors were registered during the reporting period, bringing the

total number of women using the Agency's family health services to more than 94,137. The Gaza field, which had over the past years recorded a steady increase in the usage of family planning services by the refugees, had maintained this trend while it had simultaneously reported an increase in the number of pregnant women registered for antenatal care. The Agency continued to implement its surveillance of maternal deaths to reduce maternal mortality from preventable causes. Performance indicators were developed and applied to measure progress in the coverage and quality of antenatal, post-natal and family planning services. In addition, the Agency provided intra-partum care through six maternity units integrated within its largest health centres in the Gaza Strip as well as by supporting hospital deliveries of high-risk pregnancies in all fields. Overall, 97.3 per cent of reported deliveries were attended by trained personnel and 98.7 per cent of pregnant women served by UNRWA were immunized against tetanus. Consistent with WHO recommended strategy, two rounds of de-worming campaigns of school children were implemented in all Fields, using the one-dose highly effective anti-helmenthic agent. A study on infant and child mortality and an in-depth analysis of reported cases of maternal mortality during the last eight years was carried out in March 2003. Special attention continued to be paid to the early detection and management of micro-nutrient disorders, especially iron deficiency anaemia that was still highly prevalent among pre-school children and women of reproductive age. The Agency undertook measures to improve the specifications of iron and folic acid preparations issued to pregnant women and children as part of the strategy for prevention and treatment of anaemia. UNRWA also took steps to fortify wheat flour, distributed in the context of the Agency's food aid programme, with iron and folates. A modest mental health programme providing psychological counselling and support was started in the context of the Agency's programme of emergency humanitarian assistance in the oPt and efforts are being exerted to establish linkages with other national and international organizations who are pursuing similar initiatives such as UNICEF and WHO.

69. *Disease prevention and control.* The Agency's efforts in this regard included the control of vaccine-preventable diseases, other communicable diseases of public health importance, the prevention of newly emerging infectious diseases such as HIV/AIDS, the control of re-emerging infectious diseases such as tuberculosis, and the prevention and control of non-communicable lifestyle diseases such as diabetes mellitus and hypertension (see annex I, table 7). The Agency maintained optimal immunization coverage against vaccine-preventable diseases. It participated in national immunization campaigns for the eradication of poliomyelitis in May and June in the Syrian Arab Republic and Lebanon in the context of the regional strategy of WHO and in close coordination with local health authorities. As a result of these campaigns, 48,000 children were immunized. It is worth mentioning that the poliomyelitis campaign in the Syrian Arab Republic was carried out simultaneously with an MMR (measles, mumps and rubella) vaccination campaign whereby UNRWA immunized more than 20,000 children. In addition, UNRWA participated in a mop-up poliomyelitis vaccination campaign in Rafah launched by the Palestinian Authority's Ministry of Health during October/November 2002. The Agency reinforced its system of surveillance of communicable diseases, including vaccine-preventable diseases and other diseases of public health importance such as brucellosis and salmonellosis. UNRWA emphasized strengthening of tuberculosis surveillance and control measures, coordinating them with those of public health authorities in all fields, based on the directly observed short-course treatment

strategy. The Agency provided non-communicable disease care through 115 health centres, with special focus on the management of diabetes mellitus and hypertension. Around 105,000 patients benefited from such care during 2002, of whom 23.1 per cent suffered from diabetes, 48.2 per cent from hypertension and 28.7 per cent from both. A record-based survey was conducted early in 2003 in all fields to assess the prevalence of risk factors among a sample of 8,157 patients receiving non-communicable disease care at 30 Agency health-care facilities as well as to assess programme performance and outcomes of care in terms of compliance, control status and complications. The Agency-wide control rates were 36.4 per cent for diabetes, 45.5 per cent for hypertension, 29.4 per cent for patients with both diseases and 37.2 per cent for all patients. The control status was 44.6 per cent among patients who had one or more of these diseases for less than five years and 31.9 per cent for those who had the disease for more than five years. Likewise, end-stage complications were found among 4.6 per cent of patients who had the disease for less than five years and 10.4 per cent among patients who had the disease for more than five years. Later complications were present among 31.1 per cent of patients whose conditions were under control and 37.7 per cent among those whose conditions were not controlled. Thus, the study revealed strong associations between risk factors and complications and emphasized the need for further improvement of the quality of care in terms of case-finding, proper management and prevention of adverse outcomes through staff training and patient education.

70. *Health education.* Health education activities aimed at promoting healthy practices, reducing exposure to disease-causing factors, nutrition education and promoting the use of modern contraceptive methods, constituted an integral part of the Agency's primary health-care activities and continued to be provided by medical and nursing staff through focus group sessions and individual counselling. Special emphasis continued to be placed on enhancing the skills and capabilities of health professionals on appropriate counselling techniques. Health promotional activities targeting schoolchildren and adolescents continued to be provided as self-learning material focusing on prevention of tobacco use and prevention of HIV/AIDS. All international occasions, such as the World Health Day, World No Tobacco Day, World AIDS Day and World Diabetes Day, were observed through planned activities held in Agency installations inside and outside the camps. The two health educational programmes on prevention of tobacco use and of HIV/AIDS were implemented as multidisciplinary activities targeting adolescents and schoolchildren.

71. *Secondary care.* UNRWA provided assistance towards secondary care for Palestine refugees through the partial reimbursement of costs incurred for treatment at government or NGO hospitals and/or through contractual agreements with NGO or private hospitals. Secondary care was also provided directly by the Agency at one UNRWA facility in the West Bank, the 43-bed Qalqilia hospital. Works were completed for the construction of a 20-bed paediatric ward, radiology and physiotherapy units and nursing dormitories. Catering services and the casualty and emergency department were upgraded and additional equipment was procured for the hospital. These improvements increased the capacity of the hospital to 63 beds. The hospital played an important role in treating strife-related injuries in the West Bank. However, the heavy casualty toll, on one hand, and Israeli movement restrictions on the population and ambulances, affected hospital services. Refugee patients in the West Bank could not reach UNRWA contracted hospitals and had to

be treated at other hospitals and be reimbursed for the cost of treatment. High unemployment rates and widespread poverty caused by the conditions of strife and the movement restrictions led to a breakdown in the cost-sharing system. In addition, hospitals experienced significant shortages of medical supplies and needed assistance from the Agency. Such additional expenditures were covered through special contributions under the Agency's emergency appeals. During the reporting period, 59,907 patients benefited from UNRWA assistance over 154,698 hospital days. UNRWA hospitalization arrangements continued to face funding constraints. This necessitated the continuation of stricter referral criteria, maintaining a system of co-payment and development of a hospital management information system to monitor morbidity trends of hospitalized patients and assess referral practices and utilization trends. The Agency implemented a decentralized system for settlement of reimbursement claims in the Jordan field. Additional budget provisions were allocated to Jordan and Syrian Arab Republic fields under the 2002-2003 biennium budget in order to meet the requirements for sustaining essential hospital services at government and/or private hospitals at the current level.

72. *Capacity-building*. The Agency continued to focus on human resource development through basic in-service training The Agency experienced great difficulties in sustaining post-graduate training in public health and other related disciplines to facilitate career progression and meet future replacement needs, because external support to the programme was discontinued. The Agency pursued a donor-funded capacity-building programme for enhancing the skills and capabilities of health personnel at all levels, which was developed in collaboration with the WHO Collaborating Centre at the Centers for Disease Control and Prevention in the United States. The objectives of the programme were to assemble a core team that could further train health-care professionals to enhance system performance and improve the quality of care by transferring the acquired knowledge and skills to other staff members; assess the appropriateness and relevance of the various programme components and enhance surveillance, monitoring and response at the service delivery level. The revised management information modules were shared with field staff during a planning and evaluation workshop organized in September 2002 and arrangements were made to expand the system to additional primary health-care facilities effective March 2003, whereby a new trial run of the revised modules was started in 38 health centres. It is contemplated to replace manual data collection and analysis methods by computerized techniques as soon as the equipment becomes readily available and staff are trained on use of information technology. It may be noted that capacity-building programmes were adversely affected as a result of the emergency situation and movement restrictions of Agency staff in the occupied Palestinian territory.

73. *Health infrastructure*. UNRWA primary health-care services were provided through a network of 122 facilities located in and outside the refugee camps. UNRWA continued to repair or replace health facilities through special funding, primarily from project funds. Construction, upgrading and equipping primary health-care facilities helped to improve service standards and patient flow, with a marked impact on the quality of care. During the reporting period, construction of two new health centres to replace rented premises in the Jordan field, and replacement of two health facilities each in Lebanon and West Bank fields were completed.

74. *Environmental health.* Approximately 1.3 million Palestine refugees in 59 official camps in the five fields of operation, representing 31.9 per cent of the total registered population, benefited from environmental health services provided by UNRWA in cooperation with local municipalities. Services included sewerage disposal, storm water drainage, the provision of safe drinking water, the collection and disposal of refuse and the control of insect and rodent infestation. The Agency continued to play an active role, particularly in the Gaza Strip, in the planning and implementation of large-scale projects for the construction of sewerage, drainage and water networks in camps and the upgrading of solid waste collection and disposal capacity through mechanization. After the establishment of its special environmental health programme in the Gaza field in 1993, the Agency implemented projects in sewerage, storm water drainage and solid waste management in and outside the camps at a cost of $25.65 million, while projects planned for implementation, subject to availability of funds, are estimated at $14.36 million. In Lebanon, feasibility studies and detailed designs were completed for the rehabilitation and construction of the water and wastewater infrastructure in five refugee camps. The funding agreement with the donor, in this regard, was extended until June 2004 and contracts were awarded in April 2003. In the Syrian Arab Republic, a partnership and financing agreement between the Government of the Syrian Arab Republic, the donor and UNRWA, seeks to focus on improvement of water supply systems in two refugee camps and construction of a sewerage network in one camp. The agreement covers projects for the development of rural areas and refugee camps. In this regard, a memorandum of understanding was signed in December 2002 between the Government of the Syrian Arab Republic and UNRWA, which will be the implementing agency. Capital projects were complemented in all fields by self-help camp improvement activities, to which the Agency contributed material inputs and the community voluntarily provided labour inputs.

75. *Budgetary and human resources.* The report on macroeconomics and health commissioned by the World Health Organization estimates that the minimum expenditure for scaling up a set of essential interventions in health is on average $34 per person per year, with total spending on health of $11 in the least developed countries and $23 in low-income countries. Average expenditure by the Agency on health and health-related activities in 2002 including preventive and curative medical care services, environmental sanitation in camps and food aid to vulnerable groups was $13 per refugee, which kept the Agency's health budget in the ranks of the least developed countries whereas programme achievements place it closer to middle-income countries. The largest share of the Agency's regular health budget, approximately 72 per cent, was allocated to medical care services comprising treatment and support services, maternal and child health, family planning and school health, disease prevention and control activities, dental care, laboratory services, physical rehabilitation and hospitalization. The remaining budget was allocated for sustaining basic environmental health operations in camps and food aid to vulnerable groups. Within the medical care services budget, the largest share, approximately 77 per cent, was allocated towards maintaining primary health care, with the remaining 23 per cent allocated towards sustaining essential hospital services. There were, however, significant variations by field owing to local circumstances. Approximately 57.6 per cent of cash allocations to the health programme were devoted to the costs of 3,600 locally recruited health staff members Agency-wide, who implemented all core programme activities. As a result of funding shortfalls and consequent recruitment freeze, the number of available staff

continued to fall below those required to meet increasing needs with only 0.8 doctor and 2.2 nurses per 10,000 refugees. In order to ameliorate the adverse effects of such workloads on the quality of care, standard management protocols were revised and staff members were trained to defined competency levels. The overall appropriations for the health programme during the 2002-2003 biennium, representing 18.6 per cent of the Agency's total operating budget, increased by 11 per cent, mainly owing to provisions for additional staff costs, hospitalization and supplies.

76. *Programme management*. The Agency's efforts to better manage the health programme were focused on institutional capacity-building, optimal resource utilization and periodic evaluation of programme components. Such evaluations included assessment of the quality of health care, cost-benefit analysis of various services, laboratory workloads and productivity targets, implementation of the directly observed short course strategy for treatment of tuberculosis, trends in utilization of medical supplies, control of non-communicable diseases and infant and early child mortality. Study protocols were developed to assess anti-bacterial resistance and workload and productivity of dental services. The results of such studies were used for re-orienting intervention strategies and developing appropriate training programmes. The rapid assessment technique was used to monitor the prevalence of high-risk pregnancies, to measure immunization coverage and the impact of the emergency in the occupied Palestinian territory on health status and service delivery. The Agency revised and updated its technical guidelines in keeping with the objectives of the health programme, developed a standard protocol for assessment of available space, staffing, equipment and patterns of patient-flow in each health facility with the ultimate objective of improving the organization and management of services at the delivery level. Special supervisory checklists were also developed for each programme component as tools for reinforcing quality improvements.

77. *Cooperation with host authorities*. UNRWA continued to cooperate closely with the Palestinian Authority's Ministry of Health. Senior UNRWA staff participated in all Palestinian Authority technical committees on health policy. The Palestinian Authority's Ministry of Health provided UNRWA with all the required vaccines for the Agency's immunization programme in the occupied Palestinian territory. The Agency maintained close cooperation with health ministries in Jordan, Lebanon and the Syrian Arab Republic, inter alia through the exchange of information, coordination of disease surveillance and control measures and participation in national conferences and immunization campaigns. The Government of Jordan provided all the vaccines required by the Agency including the newly introduced quadruple vaccine (diphtheria, pertussis, tetanus and hepatitis-B), the *haemophilus influenzae* type B vaccine as well as contraceptive supplies. The Syrian Ministry of Health provided the Agency with its requirements of the quadruple (diphtheria, pertussis, tetanus and *haemophilus influenzae* type B) vaccine and provided hepatitis-B vaccine as a single antigen. Owing to funding shortfalls, this support was discontinued since April 2003 forcing the Agency to procure these vaccines from its regular budget. The Ministries of Health of Jordan, Lebanon and the Syrian Arab Republic provided refugee patients with anti-tuberculosis drugs and provided laboratory support for surveillance of vaccine preventable diseases targeted for elimination and other diseases such as measles, rubella and HIV/AIDS.

78. *Cooperation with WHO and other United Nations agencies*. Technical supervision of the UNRWA health-care programme continued to be provided by WHO. Under long-standing arrangements, the Eastern Mediterranean Regional Office of WHO provided UNRWA with the services of the Agency's Director of Health and Chief, Health Protection and Promotion, two local posts and technical literature and scientific publications. In response to the Agency's request for emergency assistance in the occupied Palestinian territory, WHO provided the services of a sanitary engineer for six months to undertake a needs assessment and plan for the rehabilitation of water and sewerage infrastructure in refugee camps in the West Bank. UNRWA also participated in a WHO led mission to assess the nutritional status of the population in the occupied Palestinian territory and recommend an action plan including development of a national nutrition and food strategy addressing the immediate emergency measures and long-term development needs. The Agency participated in international and interregional WHO meetings and observed all international health days. In the framework of long-standing cooperation with UNICEF, the latter provided the Agency's requirements of supplies for immunization in the Syrian Arab Republic and Lebanon fields against poliomyelitis, diphtheria, pertussis, tetanus, measles and tuberculosis. UNICEF also made an in-kind contribution of medical equipment, and supported a programme for training medical and nursing staff in the Jordan field. It also supported a training programme of UNRWA staff in the Syrian Arab Republic and a project for screening, inculcating public awareness and providing counselling for population at risk of hereditary anaemia including thalassaemia and sickle-cell diseases. The Agency maintained an active system of communication with UNAIDS. UNRWA provided logistical support and services of its social workers to facilitate data collection for the WFP/FAO food security assessment in the occupied Palestinian territory, conducted during March/April 2003. This is expected to facilitate the establishment of a national Food Security Commission and a national Food Insecurity and Vulnerability Information and Mapping System (FIVIMS).

C. Relief and social services

79. *Objectives*. The mission of the relief and social services programme is to provide humanitarian assistance for Palestine refugees who suffer from acute socio-economic hardship and to promote self-reliance among less advantaged members of the refugee community, in particular women, youth and the physically and mentally challenged. In addition, the programme serves as a custodian for historical refugee records and updates and maintains them in order to determine eligibility for all Agency services.

80. *Refugee registration*. There were 4,082,300 Palestine refugees registered with UNRWA on 30 June 2003, an increase of 2.74 per cent over the 30 June 2002 figure of 3,973,360 (see annex I, table 1). The largest proportion of refugees was registered in Jordan, with 42.10 per cent of the Agency-wide total, the Gaza Strip at 22.22 per cent, the West Bank at 16.04 per cent, the Syrian Arab Republic at 10.04 per cent, and Lebanon at 9.60 per cent. Of the registered population, 51.0 per cent were 18 years of age or under, 36.2 per cent were between 18 and 40, 13.8 per cent were between 41 and 60 years of age, and 10.1 per cent were 61 years of age or above. A total of 145 refugee families entered into the official registration system during the reporting period. Applications were only approved if the families in question met all

qualifying criteria and could prove their refugee status as of 1948. Inquiries were directed to the Agency regarding registration of Palestinians in Iraq and members of two Palestinian tribes in the Syrian Arab Republic. These cases were under review at the close of the reporting period. Requests from Governments also continued to be processed for "verification of refugee status" of individual refugees applying for asylum or other government or legal services outside the Agency's areas of operation. Department staff researched and responded to a total of 148,190 verification inquiries. As per previous years, the programme continued to consolidate all the data pertaining to registered refugees in the family files through the amalgamation of ex-codes within each family file. Ex-codes integrate the records of an original 1948 refugee family with all the other documents related to the nuclear families that descended from it over the succeeding generations. Some 83.36 per cent of the files in Lebanon and 67.0 per cent of those in the West Bank were amalgamated during the reporting period. Amalgamation of ex-codes will begin in Jordan when the family files are digitally scanned. In the Syrian Arab Republic and the Gaza Strip, amalgamation was completed during the previous reporting period.

81. *Unified registration system*. Significant pledges were made during the reporting period towards the Palestine Refugee Records Project (PRRP), the main vehicle through which the entire computerized registration system of the Agency will be redesigned. The current system uses obsolete software, is housed in three separate, non-interlinked databases and has multiple operational difficulties. It is envisioned the PRRP will require at least two years following the completion of the business analysis, which is under way and is scheduled to be completed by 30 September 2003. The PRRP will introduce online capabilities to the 31 different locations in the Agency's areas of operation where registration and socio-economic data is collected and updated on a regular basis. The PRRP's second major component is the scanning of the estimated 16 million refugee documents which have been collected since 1950 and are stored in "family files". Preliminary research and pre-scanning tasks have been undertaken so that all staff, equipment and facilities for scanning operations are put into place at each field office as funding is obtained. Up to 40 months will be required for completion of the scanning, by which time these records will be safely stored in digital form and will be able to link with the new registration system. In addition, the Unified Registration Unit at Amman headquarters continued to provide technical support to field staff on the field registration system as well as the field social services system, the latter tracking all details related to families enrolled in the special hardship programme. This support included development and installation of enhanced software to solve the long-standing problem of loss of certain historical data in the field registration system. At the beginning of 2003, processing of the monthly consolidated registration updates at Amman headquarters was transferred from the information systems division to RSSD. During the reporting period, processing required, inter alia, the printing and lamination of 25,000-30,000 updated registration and ration cards per month (primarily related to registration of births, marriages, deaths, and entry into the special hardship programme).

82. *Special hardship programme*. This programme continued to target the most impoverished refugee families and focused on providing them with a minimal "safety net" of survival support. Social workers screened and identified eligible families utilizing stringent criteria — no male adult in the family medically fit to

earn an income and no other identifiable means of support above a defined monetary threshold. At the close of the reporting period, a total of 58,733 families, comprised of 233,044 individuals, were benefiting from a blend of assistance including basic food support, shelter repair or reconstruction, hospitalization subsidies, selective cash assistance and preferential access to UNRWA training centres. This was a 1.6 per cent increase over the previous reporting period (see annex I, table 3). Some of this assistance was administered through the health and education programmes. The special hardship programme accounted for 84 per cent of the RSS annual budget. Special hardship cases represented 5.70 per cent of the total registered population. While the Agency was operating in areas where the prevailing poverty rates were as high as 68 per cent, UNRWA was unable to assist a higher percentage of the refugee poor due to lack of sufficient funding. Even though females headed only 13.6 per cent of the households within the overall refugee population, they headed 44.7 per cent of the special hardship families, illustrating the feminization of poverty largely within those family units headed by elderly females or single women under the age of 60 (widows, divorced or deserted). The percentage of clients enrolled in the programme continued to be highest in Lebanon at 11.19 per cent, Gaza Strip at 8.55 per cent, the Syrian Arab Republic at 7.53 per cent, with the lowest in Jordan at 2.57 per cent. As per previous patterns, families whose breadwinner was incapacitated and incapable of earning a sustainable income for medical reasons accounted for 35.51 per cent of special hardship cases, followed by families headed by the destitute elderly (24.36 per cent) and families headed by a widow, divorcee or deserted female (12.9 per cent). In an effort to reinforce programme guidelines, an updated and bilingual edition of the Relief Services Instructions was issued. Social workers and senior staff continued to make home visits to check on the welfare and status of SHC families. Some 6,765 families exited the programme when they were no longer eligible for the continuation of benefits. Out of 11,246 new applications received during the reporting period, 7,656 were approved for entry into the programme.

83. *Food support*. Food support constituted the only regularly supplied benefit of the SHC programme. Clients from 58,733 families were provided with quarterly cash subsidies of $10 per eligible person, in combination with food commodities including flour, rice, sugar, broad beans, sardines, and vegetable oil (as well as lentils in Lebanon). The total value of the food support package, combined with the cash subsidies was approximately $106 per person/per annum. Shortages of sardines, broad beans and oil led to complete stock ruptures or diminished quantities of these commodities in some fields during the last quarter of 2002 and the first quarter of 2003. The total number of rations distributed during the reporting period was 215,573. Babies under one year of age did not receive rations and pregnant and nursing mothers received food support through the health programme. Proper food quality standards, storage and handling were assured through testing of commodities and random inspections of UNRWA warehouses and distribution sites in the areas of operation. A network of 57 fixed distribution centres (in areas of high density refugee populations) and 128 mobile distribution points in more remote areas facilitated access to food assistance.

84. *Selective cash assistance*. Insufficient Agency resources permitted only $500,000 to be allocated as cash assistance during the reporting period, well below the $2.9 million peak in 1996. While selective cash assistance was primarily directed to SHC families, any refugee family facing an emergency situation was

eligible for this one-time aid. Cash assistance was rendered, inter alia, to supply emergency heating fuel to the destitute, to provide small, one-time financial support to a family who has suddenly lost a head of family/wage earner or to enable a child to attend school through the purchase of school supplies/clothing.

85. *Shelter rehabilitation*. Shelter repair and reconstruction continued to be carried out though extrabudgetary funds, enabling the rehabilitation of a total of 711 shelters, compared with 667 in the previous reporting period. As per previous years, rehabilitation was achieved either through a self-help approach, with the Agency providing financial and technical assistance and client families arranging volunteer labour, or through small camp-based contractors, thereby creating much-needed employment within the refugee community. Available resources continued to fall short of identified needs. An estimated 25 per cent of SHC families (58,261 persons) lived in sub-standard housing that did not meet UNRWA criteria for structural soundness, proper ventilation and space appropriate to family size. Most fields adopted the use of the self-help approach to varying degrees, to discourage total refugee dependency on the Agency for housing and to encourage more family initiative and a deeper sense of ownership in the final outcome. A total of 385 shelters were rehabilitated on a self-help basis. Above and beyond the scope of the regular programme, additional demands were made on the Agency for re-housing families rendered homeless in the West Bank and the Gaza Strip. Some 700 homes were repaired or rebuilt in Gaza during the reporting period, and 5,352 rebuilt or repaired in the West Bank. The Agency continued rehabilitation of Jenin camp with a grant of $27 million from the UAE Red Crescent Society. Progress was slowed by prolonged closures and Israeli military incursions, resulting in the killing of the project manager by Israeli sniper fire. During the reporting period, participatory appraisals with camp residents facilitated the overall planning for the reconstruction of 391 destroyed housing units and the repair of a total of 2,099 houses.

86. *Poverty alleviation programme*. Poverty alleviation measures combined with other social services programmes within the department were effective in improving the socio-economic status of targeted low income and vulnerable refugees. During the reporting period, 242 loans were issued in the amount of $610,434, benefiting 1,210 individuals and their families. Furthermore, as a result of the programme's financial intervention, 84 families were removed from the ration roll with their income rising above the eligibility thresholds of the special hardship programme. Within the framework of the ongoing strategic efforts of the department, a thorough review of poverty alleviation activities was conducted in all five fields. A detailed survey was carried out on public and private institutions involved in credit provision, which aimed at minimizing the duplication of services and at building partnerships. A consensus was reached on comprehensive revision of the poverty alleviation programme in terms of its mission, target clients and loan products. A Strategic Directives document accompanied by Policy Implementation Instructions was drawn up, presenting a solid framework for the strengthening of the programme. In addition, a number of new loan products was researched and recommended for piloting in designated fields of operations such as piloting housing improvement loans, community village banking and self-help group initiatives. Twelve staff members were trained in market survey techniques, and a comprehensive market assessment survey was launched to research the affordability and feasibility of the pilot project for housing improvement loans in Jordan and the Syrian Arab Republic. One staff member attended a microfinance course administered by the International

Labour Organization (ILO), and six staff members, covering all five fields, completed a Training of Trainers course.

87. *Social services*. During the reporting period, the staff of the social services division participated in developing the department's 3-year strategic plan. In addition, in the context of the Agency's overall approach to measuring the impact of the activities listed in its biennial programme of work, key performance indicators for the division were developed. Joint field visits by both Chiefs of the relief and social services divisions were conducted to all fields to assess conditions and constraints and to strengthen the work of the department as a whole.

88. *Social development programmes*. The social services division focused on the long-term goals of the socio-economic needs of the Palestine refugees by addressing causes rather than symptoms of poverty. Integrated social development programmes were implemented in partnership with the local refugee communities through 108 community based organizations (CBOs). While the programmes targeted the refugee community, there was a special focus on women, children and youth as well as physically/mentally challenged individuals. The CBOs were managed by local committees comprised of a group of volunteers. The number of volunteers in all fields totalled 2,496. The women's programme benefited 48,757 individuals, mainly women and children, through awareness-raising and training activities as well as through kindergartens and nurseries, greatly contributing to the well-being of many marginalized families. Furthermore, a total of 1,909 families benefited from the programme's group lending and consumer loans in Lebanon, Jordan and the Syrian Arab Republic. Inclusion or integration of physically and mentally disabled individuals remained one of the key objectives of the disability programme, which adopted a community-based rehabilitation approach. During the reporting period, a total of 28,660 clients and their families benefited from outreach and direct services, including mainstreaming into regular schools and referrals to vocational rehabilitation programmes within their communities. In addition, 445 persons benefited from the specialized services provided by the Rehabilitation Centre for the Visually Impaired (RCVI), located in Gaza. Children and youth were also given the unique opportunity to participate in constructive and meaningful activities. Arts, handicrafts, music, drama, sports, skills training, tutoring, and cultural activities, as well as a volunteer camp clean-up campaign, were organized.

89. *Capacity-building*. During the reporting period, the programme made further progress in developing the human resources of staff and volunteers, particularly with regard to policy issues. A total of 30 mid-management, junior officers and support staff participated in exchange visits to other fields, the first such staff development exercise undertaken by the relief and social services programme. In addition, the first regional meeting of all programme officers was held to collectively review the objectives, progress, challenges, present practices and future vision for all subprogrammes. A total of 19 field staff representing the Gaza, West Bank and Lebanon fields received training on the CBO Management Standards. Technical and English training opportunities were also provided for 154 support staff. Two staff members participated in a one-month training programme in the United Kingdom on "Monitoring and Evaluation of Development Activities", who then organized and conducted a regional workshop on the topic for other staff. The department also strengthened its gender mainstreaming strategy through the participation of key staff in training-of-trainers courses that centred on gender issues. A regional "Systematic Approach to Training" workshop was conducted in cooperation with the department

of education to examine existing training practices and develop a systematic training and orientation programme for all staff. Priority will be given to designing a standardized orientation package for new social workers, continuing education courses on social work skills and management training for camp and area relief and social services officers. A series of workshops were also conducted during the reporting period, for 369 social workers and other key RSS staff in all fields as a result of planning and implementation of training needs assessments and design of training programmes.

90. *Constraints*. During the reporting period, restrictions on movement and closures were imposed by Israeli forces and ongoing strife, in the West Bank and Gaza fields of operation, seriously affecting programme services. The declining purchasing power of refugees in all regions, in particular the West Bank and Gaza fields, placed increased demands on the special hardship assistance programme. Many participants in CBO activities were no longer able to afford fees for courses or services, which also undermined the financial sustainability of those CBOs. Staffing also continued to be a concern, as the 1999 ASR salary scale was not competitive in local job markets, threatening the ability to recruit appropriate staff, in turn impeding the ability of the division to effectively deliver programme services.

91. *Programme budget and administration*. The regular budget for the relief and social services programme, for the biennium 2002-2003, was $68.5 million, representing 10.2 per cent of the overall Agency budget. The actual expenditure for 2002 was $27.8 million against the year 2002 budget of $33.6 million. The largest share of the budget, 79.8 per cent, was allocated to assisting special hardship families. These services were delivered by 228 social workers and one assistant social worker, who represent the single largest segment of the department's staff. The average caseload of social workers, at about 258 cases per year, was brought in line with the recommended norm of 250 cases per year. The overall strategic planning process for the department continued to evolve and was assisted by several consultants at two separate regional workshops. Senior headquarters and field staff identified strategies and activities for the three pivotal RSSD subprogrammes for the coming three years and continued to implement planned activities from its first strategic planning meeting in 2001.

92. *Cooperation with host authorities and NGOs*. The relief and social services staff continued to partner with a variety of governmental and non-governmental bodies for staff training purposes, provision of prosthetic devices for the disabled, in-kind or financial support for refugee-administered and community-based social development services, coordination of emergency responses during crises in the West Bank and the Gaza Strip, surveys, coordination of pre-Iraq war contingency planning and post-war services (such as assisting Palestinians stranded in the no-man's zone of the Iraq-Jordan border). In-kind support received from various donors during the year for the community-based services was valued at $61,258; financial grants totalled $1,376,831. In addition, field-level cooperation with United Nations agencies enabled progress to be made on issues such as better parenting, gender mainstreaming in enterprise development and early childhood education. Staff and refugees benefited from cooperation with NGOs. The Palestinian Authority made available to the Agency a total of 153 dunams of land in Gaza, valued at $4.59 million. This land is being used to provide re-housing for 620 nuclear and extended families in the Khan Yunis and Rafah areas, where repeated military action caused the destruction of that number of shelters.

D. Microfinance and microenterprise programme

93. *Objectives*. Despite the deepening humanitarian crisis in the occupied Palestinian territory, UNRWA's microfinance and microenterprise programme continued to provide development assistance to the Palestinian business community during the reporting period. For many of the smallest businesses, particularly those in the informal sector, this is the only source of business finance that is now available to them. In this context the programme had to make further adjustments to help sustain jobs, create income-generating opportunities and mitigate poverty, mainly through increasing its support to informal sector enterprises. During the reporting period, the programme provided 8,910 loans valued at $6.01 million for businesses in the West Bank, Gaza Strip, Jordan and the Syrian Arab Republic. Women microentrepreneurs received 43 per cent of these loans. Since the programme was established, a total of 59,915 loans valued at $68.91 million have been disbursed.

94. *Institutional reform*. As part of the Agency's reform process, the MMP continued its series of management and institutional reforms during this reporting period. The programme, after review by UNRWA's management committee followed by its advisory board, was recognized as "special programme" reporting directly to the Commissioner-General in a similar reporting and organizational relationship to UNRWA's three core programmes, i.e. health, education and relief and social services. To manage and supervise the extension of the Agency's microfinance activities, a new post of Director of Microfinance and Microenterprise Programme was established. In recognition of this new institutional location of the programme, the Deputy Commissioner-General was designated to chair the programme's advisory board. The board has significantly improved the governance, transparency, accountability and scrutiny of the programme. This was further improved by the presentation of the first separate external audit of the programme for the year ending 2001, with the external audit for 2002 due to be issued by June 2003. The management reforms have also been complemented by a series of programme reforms. With the expansion of the programme into Jordan and the Syrian Arab Republic, a new central office is being established to consolidate management, reporting, policy formation and technical supervision. This will house an internal audit and business and economic research component that will increase the quality and flow of programme information, its clients and the business environment. The expansion of the programme was rationalized through the introduction of a new, decentralized model of product-management that operates through a network of branch offices. Since early 2002, the programme's outreach grew with the addition of branch offices in Hebron (West Bank), Nusseirat (Gaza), Wihdat (Jordan) and Yarmouk (Syrian Arab Republic). There are now a total of nine branch offices. During the sub-optimal conditions of the reporting period, the 12-month pilot testing of the new consumer-lending product was successfully completed and sustained an annual repayment rate of 96 per cent. As the market (families of wage workers) for this product had shrunk due to the current recession, the product was not expanded, although preparations were made to expand it generally should the economic environment improve. Another institutional reform completed during the period was the establishment of a new collection office to deal with the operational implications of the new loan loss provision policy introduced at the end of 2001. This reorganization has proven so successful that a third of the programme's income now comes from the collection of bad debts. With the expansion of the programme, a

new microfinance staff training initiative was introduced. This will develop in-house training curricula for the core competencies of each post with the long-term goal of building institutional excellence through human resource development.

95. *Impact of closures and other restrictive measures.* The continuing strife and closures during the reporting period adversely affected the programme during the reporting period. The northern and southern West Bank was particularly hard-hit by these measures, and during the reporting period 1,826 staff days were lost at a cost of $56,558. As a result, the programme was unable to sustain operational self-sufficiency for a second year. By June 2003, the monthly credit outreach had fallen to 1,141 loans valued at $806,175, compared with September 2000 when the month outreach stood at 1,304 loans valued $1.46 million. For the second year the programme ate into its capital base to survive these recessionary forces.

Gaza field

96. *Overall trend.* Despite the slowdown in lending, the programme remained the only significant credit provider to the microenterprise sector. The programme continued to lend despite the increasing risks of doing so. In 2002, the programme funded 85 per cent of its unadjusted overhead and investment costs of $1.18 million from its programme revenues of $998,706. The future cost recovery of the programme depends on the lifting of recessionary pressures, and in particular the restraints on trade imposed by closures. It was hoped that the moves to implement the "road map" peace plan at the end of the reporting period would help in this regard by reducing unemployment, alleviating poverty and promoting business recovery. The number of loans disbursed increased from 6,001 valued at $4.08 million during the previous reporting period to 7,953 loans worth $5.25 million during the current reporting period.

97. *Microenterprise credit product.* In Gaza, the programme delivers four credit products; three of these are targeted at small businesses and microentrepreneurs and the fourth is a consumer loan product directed at working class families. Under the current crisis condition, the microenterprise credit product was the most substantial of these credit products, providing short-term working capital loans to formal and informal businesses. As the population has become poorer many former workers have entered the informal economy through setting up small stall holding and other informal enterprises. In targeting the informal sector, the programme reduced the average size of first loans from $1,000 to $600, but continued with its graduated lending methodology, with clients who completed the first loan cycle with no repayment problems able to increase their loan amount in the next loan cycle. During the reporting period, the programme provided 3,799 loans valued at $3.02 million. Despite the continuing crisis the programme was able to improve the annual repayment rate, which increased from 86 per cent in 2001 to 94 per cent in 2002. Since the programme was established in 1996, it has provided 23,468 loans valued at $24.68 million.

98. *Solidarity group-lending product.* The solidarity group lending product targeted women microentrepreneurs in the informal sector who attempt to mitigate the effects of poverty on family life by eking out income through low-scale enterprise activity. The loan product also provided working capital loans to women organized in solidarity-groups that guarantee each member's loan. The repayment rate of this product remained high during the ongoing crisis in Gaza, with the annual

repayment rate increased from 91 per cent in 2001 to 94 per cent in 2002. Demand for this product remained high during the reporting period; 3,748 loans valued at $1.75 million were disbursed. Since 1994, 24,530 loans valued at $16.97 million were provided to women microentrepreneurs.

99. *Small-scale enterprise product.* The small-scale enterprise product has been the worst hit by the economic crisis. The delivery of this loan product ranging in size from $5,000 to $70,000 has been curtailed by the programme in response to heightened risks. The larger services and industrial businesses that use this product to invest in new plant and equipment have seen their markets shrink or close as a result of the economic downturn. Formal businesses operating beyond the local marketplace had to reduce their operations and lay off staff. As a result, the programme reduced the number of staff working with this product. During the reporting period, the programme provided only 23 small enterprise loans valued at $300,000. Since 1991, a total of 914 small-scale enterprise products worth $13.92 million were disbursed.

100. *Consumer-lending product.* At the beginning of this year the new consumer-lending product completed the pilot phase in Jabaliya refugee camp. Despite the adverse test conditions, it was able to retain a high portfolio quality with an annual repayment rate of 96 per cent. With unemployment in Gaza reaching 60 per cent, the target market of employed working class families significantly contracted. Product marketing during the reporting period was limited largely to Jabaliya camp with further expansion in Beach refugee camp. During this reporting period, the programme issued 383 loans worth $179,950.

101. *Small and microenterprise training programme.* The small and microenterprise training programme continued offering business and entrepreneurship training to the small enterprise community. This is now one of the few formal business training initiatives of its kind in Gaza. During the reporting period the programme continued to cover 100 per cent of the cost of training courses from participation fees, while its management and operational costs were covered through donor support. During the current reporting period, the programme offered 53 training courses to 1,205 participants.

West Bank field

102. *Microenterprise credit product.* The programme continued to face serious challenges in the West Bank as a result of the regime of closure and curfews. Hundreds of staff working days were lost during the reporting period, and the branch offices often closed for days at a time, as staff were unable to reach their places of work. Clients of the programme, moreover, were often unable to open their businesses. In an effort to adjust to the situation, the programme temporarily stopped providing small-scale enterprise loans and reduced credit outreach to just the microenterprise credit product. The number of loans issued fell from 2,515 loans valued at $2.37 million during the previous reporting period to just 667 loans valued at $0.61 million during the current reporting period. A total of 10,248 small-scale enterprise and microenterprise loan products valued at $12.97 million have now been disbursed.

Jordan and Syrian Arab Republic fields

103. During the reporting period the Agency initiated the regionalization of the microfinance and microenterprise programme, opening a new branch office in the Wihdat camp area in Amman and another in the Yarmouk area of Damascus. The first branch office in Jordan began to issue loans in March 2003. The first branch office in Damascus was formally opened in May in a ceremony attended by the first lady of the Syrian Arab Republic, Mrs. Bashar al-Asad. Through the end of the reporting period, the two branches issued 290 microenterprise loans valued at $150,080. Plans were drawn up to expand the number of branch offices in Jordan and the Syrian Arab Republic.

E. Fund-raising activities

104. The Agency continued to strengthen its fund-raising capacity during the reporting period. The Department of External Relations sought to increase its responsiveness to the donor community through the establishment of a new office in the West Bank field office, redeploying two international staff from Gaza headquarters. In addition, two international staff were tasked with representing the department in Amman headquarters to respond to Jordan-based donors and facilitate closer coordination and cooperation with Arab donor states. The Agency continued to encourage a broadening of the funding base away from traditional donors, including, inter alia, by assessing prospects of private sector fund-raising. The department has also strengthened its projects office with the addition of local staff and the establishment of a projects database. This office will track projects in each of the five fields, ensuring improvement in meeting reporting deadlines and enabling the Agency to alert the donors of any significant developments regarding project implementation.

F. Emergency appeals

105. *Context*. During the reporting period, the imposition of closures and curfews, in addition to large-scale military operations, continued to severely undermine the living conditions of Palestine refugees in the West Bank and the Gaza Strip. In August 2002, the United Nations Secretary-General dispatched Ms. Catherine Bertini to the region as his Personal Humanitarian Envoy. Her report described a "serious and mounting humanitarian crisis in the West Bank and Gaza". Ongoing Israeli military activity in the occupied Palestinian territory brought the number of Palestinian fatalities to as many as 2,300, with at least 22,000 injuries, since September 2000. At the end of the reporting period, the poverty rate had tripled since September 2000, with approximately 50-60 per cent of Palestinians in the West Bank and Gaza living on less than $2 per day. The deterioration of the humanitarian situation was especially sharp in the Gaza Strip during the reporting period, with the rate of shelter demolitions doubling between December 2002 and May 2003. A total of 568 refugee shelters were demolished or severely damaged during the reporting period, in the Gaza Strip. While the rate of home demolitions was lower in the West Bank, the number of shelters requiring repair exceeded 10,000 between September 2000 and 30 June 2003. In the area of health, increasing numbers of refugees sought UNRWA's services. Since the start of the current crisis, demand for UNRWA out-patient services increased by 61 per cent in the Gaza Strip

and 36 per cent in the West Bank. This increase was due to the number of Palestinians injured as a result of the current conflict and is also attributable to the worsening economic situation that made it harder for the chronically ill to seek care from other providers. For the third consecutive year, closures and other movement restrictions caused enormous disruption to the Agency's education programme.

106. *Implementation*. During the reporting period, the Agency continued its programme of emergency assistance, focusing on food aid, emergency employment creation, shelter repair and rebuilding, cash assistance, health and education. UNRWA launched a year-long 2002 appeal in December 2001 which amounted to $172 million, including a May 2002 supplementary request to cover needs arising from the large-scale Israeli incursions in March and April into the occupied Palestinian territory. In December 2002, UNRWA launched a $93 million appeal to cover emergency needs during the period January-June 2003. This appeal was developed under the broader umbrella of the Humanitarian Action Plan prepared by the United Nations Technical Assessment Mission which visited the region following the Bertini mission. Another appeal totalling $102.9 million covering the period July-December 2003 was launched in June. By the end of June 2003, the Agency had provided 41,000 Palestine refugees in the West Bank and the Gaza Strip with short-term emergency employment, and more than one quarter of a million people, including dependants, had benefited from short-term jobs managed directly by UNRWA. Many more in the West Bank and the Gaza Strip benefited from work opportunities created through private sector construction projects contracted by UNRWA or community-based infrastructure works in refugee camps funded by the Agency. Food distribution targeting some 127,000 families in the Gaza Strip and 90,000 in the West Bank continued during the reporting period, with expansion in the size and nutritional value of the food baskets to counteract rising malnutrition. UNRWA also continued to provide selective cash assistance to families that could not meet their basic needs. During 2003, additional medical staff were employed, including physicians, midwives, nurses and pharmacists, to meet the increased need for health services. Medical supplies were also procured to provide drugs, laboratory reagents, antiseptics and a range of disposable items. Mobile clinics provided basic health care to residents of isolated villages, with 6,661 patients treated in the first quarter of 2003 alone. Services continued to be provided for refugees with disabilities resulting from the conflict. This took the form of physiotherapy, prostheses, training and home adaptations. As part of its ongoing emergency responses, the Agency continued providing a range of services to promote constructive coping mechanisms for refugees in crisis situations and prevent long-term psychological consequences of the strife. Programmes have targeted schools, health centres, social services and community-based centres. UNRWA also conducted remedial classes for thousands of children in the Gaza Strip and the West Bank whose schooling had been disrupted. Other forms of emergency assistance provided through UNRWA included distributions of tents, blankets and kitchen sets to families rendered homeless.

107. *Status of funding*. UNRWA has launched a number of appeals since September 2000. Earlier appeals have seen high contribution rates from the Agency's donors. The fourth appeal for the period January-December 2002, including the supplementary appeal, raised $96.8 million in contributions out of a total request of $172.8 million. The emergency appeal for $93.7 million covering the period January-June 2003 received, as of 30 June, confirmed pledges amounting to only

$38.4 million. The proportionate increase in the amount requested was to meet the higher costs associated with the improvement in the food basket and to cover the costs of increased shelter destruction. The lack of sufficient donor funding for the appeal meant that key interventions such as food distributions were reduced in frequency and size between January and June 2003.

G. Projects

108. *Objectives*. In recognition of the fact that project funding has taken on an increasing financial and programmatic importance over the years, and in order to establish a more targeted fund-raising approach, UNRWA established Agency-wide project priorities that form the basis for the projects component of its biennium budget. The projects budget comprises mainly non-recurrent, infrastructure costs that are to be funded by non-core budget contributions, including expansion, replacement and maintenance of UNRWA facilities in order to meet the increasing demand for Agency services (particularly in the field of education), and the improvement of housing and environmental health conditions in refugee camps. By treating projects as integral to the biennium budget, the Agency provides a comprehensive estimate of its financial requirements to carry out its mandate over the biennium, and directly links project-funded activities with those programme activities funded under the regular budget. Unless project needs are covered, the Agency will not be able to attain its objectives and the quality and level of its services will suffer.

109. *Implementation*. During the reporting period, project funding enabled UNRWA to complete the construction of eight schools (five in the Gaza Strip, two in the West Bank and one in Lebanon), the maintenance of one school in Jordan, and the construction of 36 additional classrooms and 16 specialized rooms at various other schools in the Agency's areas of operation. It was also possible to complete the rehabilitation of 442 shelters of special hardship families Agency-wide. Further funding was used for procurement of hardware and software and for electrical works at Amman Training Centre, construction of an extension to the Maternal and Child Health Care unit in Jordan, construction of physiotherapy units at two health centres, furnishing of toy libraries at two of the Community Rehabilitation Units in Gaza and training of relief staff in the Syrian Arab Republic. Other projects completed during the reporting period included: feasibility study for replacement of barracks and the preparation for implementation at Neirab Camp in the Syrian Arab Republic and replacement of corroded water pipes at Beach Camp in Gaza. Projects to improve infrastructure and services included the reconstruction of schools, additional classrooms, the rehabilitation of shelters, the construction of health centres, the upgrading of facilities and courses at several of the Agency's vocational training centres and paving of alleyways. Several other environmental health projects continued during the reporting period, including the construction of sewerage system in Khan Eshieh and water supply networks in Khan Eshieh and Khan Dannoun camps in the Syrian Arab Republic, the construction of sewerage and drainage systems in Deir al-Balah and the reconstruction of sanitation offices elsewhere in the Gaza Strip, and mechanization of solid waste management in the West Bank. Other Agency-wide project activities continued, including the provision of technical assistance in education planning and the operation of the UNRWA

Liaison Office in Geneva. Funding was obtained for several junior professional officers during the reporting period.

110. *Status of funding*. During the reporting period, UNRWA received pledges in the amount of $20.5 million towards its project budget. Of the new funding $9.9 million — or 48 per cent — was allocated to the health sector, $4.1 million to education, $3.9 million to the relief and social services sector and $2.6 million to other projects. Projects in the Gaza Strip received $2.4 million, whereas $1.2 million was allocated to the West Bank. The Syrian Arab Republic received $9.3 million, Lebanon received $2.9 million and Jordan was allocated $0.7 million. Agency-wide activities received $4 million. The funding received during the reporting period for projects was sufficient to allocate funding for an additional 44 projects. Cash expenditure for projects amounted to $16,157,134 during the reporting period.

H. Peace Implementation Programme

111. *Objectives*. The Peace Implementation Programme (PIP) was launched by the Agency following the signing of the Declaration of Principles on Interim Self-Government Arrangements between the Palestine Liberation Organization and Israel. From October 1993 until December 1999, it was the primary channel for extrabudgetary project funding for activities carried out within the framework of Agency programmes in education, health, relief and social services, and income-generation, and contributed in a very practical and tangible way to the improvement of the refugees' overall living conditions and to creating employment opportunities and developing infrastructure. Following the adoption of the 2000/2001 programme-based biennium budget, which divided the Agency's budget into regular budget and projects budget, all new non-core contributions were credited to the projects budget. A new "Post 1999 Projects" programme has been introduced from January 2000 to track all contributions made towards projects budget.

112. *Implementation*. During the reporting period, PIP funds enabled UNRWA to complete the construction of two schools, 34 additional classrooms, six handicraft units and two administrative rooms and the maintenance of two schools. At the Gaza Training Centre, workshops and equipment were upgraded. PIP funds also made it possible to complete additional construction works at Qalqilia Hospital. Ongoing projects included construction and equipping of additional classrooms and specialized rooms, procurement of computers for schools and the upgrading of equipment and extension of workshops at UNRWA's vocational training centres. Other environmental health projects, including a major project for eight camps in Lebanon and Beach Camp shore protection in Gaza, were ongoing. Cash expenditure under PIP amounted to $2,936,915 during the reporting period.

113. *Status of funding*. No new funding was received towards PIP as it was merged under the projects budget. However, some savings realized and interest accrued was reprogrammed for other projects.

I. Lebanon appeal

114. *Objectives*. As a result of difficult socio-economic conditions, combined with the inability of the refugees to gain full access to the job market or to benefit from public health facilities, most of the over 389,000 registered Palestine refugees in

Lebanon continued to face deplorable living conditions and depended almost entirely on UNRWA for basic services. The Agency's special emergency appeal for Lebanon, launched in July 1997, sought to solicit additional contributions in the amount of $11 million in support of essential health, education, and relief and social services activities in order to alleviate the financial pressures resulting from insufficient resources in the Agency's core budget.

115. *Implementation*. During the reporting period, UNRWA completed the mechanization of solid waste collection and disposal system project. In addition, short-term vocational courses at Siblin Training Centre were completed while the introduction of a new computer course and upgrading equipment of the maintenance and fitter mechanist course continued.

116. *Status of funding*. The Appeal received pledges from eight countries and one intergovernmental organization totalling $9.3 million by 30 June 1998. By end of June 2003, the Agency had fully received the total amount pledged, and had expended $9.1 million. Expenditure during the reporting period amounted to $104,390.

Chapter III
Financial matters

A. Fund structure

117. During the period 1 July 2002 to 30 June 2003, UNRWA received contributions and incurred expenditure against the following headings:

(a) Regular budget;

(b) Projects budget, comprising of:

(i) Post-1999 projects;

(ii) Peace Implementation Programme;

(iii) Lebanon appeal;

(iv) Emergency appeal.

118. The regular budget covered all recurrent costs incurred on UNRWA programmes of education, health and relief and social services, and on all support functions.

119. Post-1999 project activities covered project funding received in respect of projects initiated after 31 December 1999.

120. The Peace Implementation Programme (PIP) covered project activities funded under an ongoing UNRWA initiative since 1993 to improve the infrastructure and enhance the living conditions of refugees Agency-wide. The Programme was incorporated into the projects budget in 1993, but funds continued to be expended against PIP activities between 1 July 2002 and 30 June 2003.

121. The Lebanon appeal covered urgent operational needs funded in response to a July 1997 UNRWA appeal for increased assistance to help alleviate the adverse socio-economic conditions of Palestine refugees in Lebanon.

122. The emergency appeal covered emergency activities by the Agency in response to needs arising from the strife in the West Bank and Gaza fields. UNRWA launched three appeals between September 2000 and the end of 2001. The Agency then launched a $172.9 million appeal for 2002 (including $55.7 million covering emergency requirements following large-scale military operations that were focused in the West Bank). Appeals of $196.6 million have been launched in 2003.

B. Budget, income and expenditure

123. *Context.* Certain organizational characteristics of UNRWA were particularly relevant to its financial situation, such as the Agency's role as a direct provider of services for the Palestine refugee population through its own installations and staff; the public-sector nature of UNRWA services, including availability to all those meeting the Agency's operational definition of a Palestine refugee; the steady growth in the number of beneficiaries over time owing to natural growth in the refugee population; the Agency's lack of access to revenue sources traditionally available to public sectors proper, such as taxation or borrowing, and the concomitant reliance of the Agency on voluntary contributions for income.

124. *Budget preparation.* UNRWA prepares its budget on a biennial basis, although operations are financed on an annual basis. Pursuant to the 2000-2001 biennium, the 2002-2003 budget represented another step forward in the Agency's efforts to improve budgetary transparency and the usefulness of the budget as a planning, managerial and fund-raising tool. During the reporting period, the results-based budget format was further developed during preparation of the 2004-2005 biennium budget. The biennium budget is a programme-based budget structured around the Agency's mandated service-providing role and programme plans. It had the following features:

(a) It covered the Agency's financial requirements for regular programmes, including the regular budget and project budget;

(b) Budget categories were restructured and expenditure reattributed to more accurately reflect the cost of programme activities;

(c) More detailed programmatic explanations and justifications were provided for budgeted activities and changes in budget allocations;

(d) It was derived from a biennial programme of work specifying objectives, expected accomplishments, planned activities and key performance indicators to measure the performance of each programme;

(e) Budget preparation was guided by planning assumptions rather than budget ceilings.

125. In order to monitor implementation, the periodic budget performance review was enhanced to include reporting by programme managers about progress in achieving the programme objectives within budget. This review activity was enriched through the use of key performance indicators to assist the line managers in evaluating performance during implementation.

126. *Regular budget.* The Agency's 2002 regular budget amounted to $330.7 million, of which $308.8 million represented the cash portion and $21.9 million the in kind portion, mainly donations for the special hardship cases and the food support programmes. The Agency's 2003 regular budget totalled $344.1 million, of which $321.1 million represented the cash portion and $23.0 million the in kind portion (see annex I, table 9). In real terms, the Agency's biennium budget for 2002-2003, and the 2004-2005 budget which was under preparation during the latter half of the reporting period, revealed negative growth when adjusted for increase in the beneficiary population and underlying inflation.

127. *Projects budget.* The Agency's projects budget for 2003 was $61.4 million.

128. *Income and sources of funding.* Cash and in kind income in 2002 amounted to $419.7 million, of which $305.9 million was for the regular budget, $19.7 million for projects and $94.1 million for the emergency appeals. Voluntary contributions from Governments and the European Community accounted for $379.5 million of total income, or 90.4 per cent (see annex I, table 10). Most of that income was received in cash, although $13.9 million was received in kind, mainly as donations of food commodities. Out of the cash income, $5 million represented contributions made but not received by the end of 2002. Other United Nations bodies provided $14.6 million (3.5 per cent of total income) to cover staffing costs, including the funding of 105 international posts by the United Nations Secretariat, assistance from UNESCO and WHO in the staffing of the education and health programmes and in

kind donation from other United Nations organizations. The remaining $25.6 million (6.1 per cent of total income) came from miscellaneous sources, mainly exchange rate gains ($13.0 million).

129. *Expenditure and financial results.* Total expenditure incurred by UNRWA in 2002 was $397.1 million, of which $298.8 million was for the regular budget, $16.3 million was for projects and $82.0 million was for the emergency appeal. The Agency ended the year 2002 with a deficit of $18.0 million, when the approved General Assembly regular cash budget of $308.8 million was compared with the income received of $290.8. However, the Agency recorded a surplus of $9.6 million in the cash portion of the regular budget in 2002, representing the difference between the actual cash income of $290.8 million and the actual cash expenditure of $281.2 million. Included in the cash income was $13 million in exchange rate gains. The Agency was not able to fully implement its planned activities due to the lack of full funding of its budget, and therefore, was compelled to incur expenditure only as pledges were received.

130. *Termination indemnities.* The 2002-2003 regular budget did not include any provision for termination indemnities payable to local staff upon the eventual dissolution of UNRWA. The Agency has been unable to fund such a provision in previous years. The current estimated amount of $138.5 million for termination indemnities represents a contingent liability for the Agency.

C. Non-regular budget activities

131. *Post-1999 projects.* The balance under post-1999 projects is positive, with $16.1 million as of 31 December 2002, representing the difference between cumulative income of $43.0 million and expenditure of $26.9 million.

132. *Peace Implementation Programme.* The Programme account had a positive balance of $4.8 million as of 31 December 2002, representing the difference between income of $213.9 million since the Programme's inception, and expenditure of $209.1 million. All contributions under the Programme were earmarked for specific project activities to be implemented over varying periods of time.

133. *Lebanon appeal.* The Lebanon appeal account had a positive fund balance of $0.2 million as of 31 December 2002, representing the difference between contributions received since the appeal was launched in July 1997 and expenditures incurred as of 31 December 2002. All contributions under the Lebanon appeal were earmarked for specific project activities to be implemented over varying periods of time.

134. *Emergency appeal.* The balance of the emergency appeal as of 31 December 2002 was $55.6 million, representing the difference between contributions received of $195.4 million since the appeals were launched in October 2000 and the expenditures of $139.8 million incurred as of 31 December 2002.

D. Current financial situation

135. *Overview.* The Agency was able to end the year 2002 with a positive working balance of $18.7 million despite the decreased level of donor contributions received during the year ($282.4 million in 2001 and $275.8 million in 2002). The Agency

was able to achieve a relatively favourable financial result due to the positive impact of United States dollar depreciation against other currencies where the Agency made $13.0 million in exchange rate gains in 2002, while suffering $3.5 million in exchange rate losses in 2001. Another contributing factor to this positive result was the continued application of strict financial controls and the ongoing implementation of the 1999 Area Staff Rules.

136. *Working capital.* Working capital, defined as the difference between assets and liabilities in the regular budget for the calendar year, stood at $24.8 million as of 31 December 2002. However, $6.1 million represented funds earmarked to procure basic commodities, leaving a real positive working capital balance of $18.7 million for the cash budget. The end-of-year excess of income over expenditure of $9.6 million was added to the working capital of $9.1 million carried forward from the previous biennium resulting in total working capital of $18.7 million at 31 December 2002. However, that level of working capital was far below the optimal level of one month's average expenditure, or some $25 million, of which $17 million represented the payroll. The above working capital balance, however, is not represented in cash as it is largely tied up in Value Added Tax (VAT) dues from the Palestinian Authority and unreceived income at the year end.

137. *Cash position.* The cash flow position of UNRWA remained critical owing to repeated funding shortfalls in previous years that had eroded the Agency's cash position (defined as the amount of cash on hand in Agency bank accounts at any point in time that could be used to meet basic obligations). As of 31 December 2002, outstanding cash pledges under all accounts amounted to $5.1 million, of which $4.9 million pertained to the regular budget and $0.2 million to the emergency appeal. In addition, the Agency had not yet been fully reimbursed by the Palestinian Authority in respect of payments made against value added tax and related charges. However, the Agency made some progress in this regard as the Palestinian Authority has agreed to zero rate UNRWA in Gaza effective March 2002. As at 30 June 2003 the Agency has received from the Palestinian Authority a reimbursement of VAT charged of approximately $7.7 million.

138. *Financial situation at mid-2003.* Expected cash expenditure in the regular programme was $315.1 million, as against expected cash income of $290.8 million. The cash position remained critical, forcing the Agency to live from hand to mouth in terms of balancing incoming funds and outgoing payments. Additional contributions were being sought to bridge the gap between expected income and expenditure, overcome the difficult cash situation, and replenish the Agency's working capital.

Chapter IV
Legal matters

A. Agency staff

139. *Arrest and detention of staff.* The total number of UNRWA staff members arrested and/or detained decreased from 92 in the previous reporting period to 80 in the current reporting period (see annex I, table 11). The number of staff members arrested and/or detained by the Israeli authorities remained constant at 64. Of these, 60 staff members were arrested and/or detained by the Israeli authorities in the West Bank and 4 in Gaza, with approximately half being released within a few days or weeks of their arrest. One staff member arrested by the Israeli authorities in Gaza has been indicted on security-related charges. The number of staff members detained by the Palestinian authorities decreased from eighteen to five. In addition, nine staff members were arrested in Jordan and two in Lebanon. No staff members were arrested and/or detained in Syria. At 30 June 2003, 20 staff members remained detained by the Israeli authorities and one by the Palestinian authorities.

140. *Functional protection of detained staff.* In most cases the Agency was not provided with adequate or timely information by the relevant authorities as to the reasons for the arrest or detention of its staff members. In the absence of such information, it was not possible for the Agency to determine whether the arrest and detention of the staff members was related to their official functions. Accordingly, the Agency was unable to ensure that rights and obligations flowing from the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations, and the relevant Staff Rules and Regulations of the Agency were duly respected. In the case of staff members detained by the Israeli authorities, in spite of the Agency's written requests in each instance, the Agency did not receive any information from the Israeli authorities concerning the reasons for any of the arrests or detentions during the reporting period, except for the case of the staff member who was indicted. In that case, after the beginning of the trial, the Agency received a letter from the Israeli authorities briefly outlining formal charges being made against the staff member. In the case of staff members detained by the Palestinian and Jordanian authorities on security-related matters, the Agency was not provided with adequate information in response to its requests. The Lebanese authorities provided the Agency with adequate information about the reason for detention of its staff members, as requested by the Agency.

141. *Access to detained staff.* Despite repeated requests, the Agency was not granted access to staff members arrested by the Israeli authorities in the West Bank or Gaza Strip, nor was the Agency informed of the locations where the staff members were being detained. The Agency was granted access, as requested, to the staff members arrested and detained in Gaza Central Prison and Police Headquarters by the Palestinian civil authorities. Access was not granted, however, to the one staff member detained by Palestinian Authority Military Intelligence. The Agency was given access as requested to staff members detained by the Lebanese authorities. In Jordan, staff members were released after relatively short periods of detention before requests for access were made.

142. *Treatment and state of health of detained staff.* As noted above, the Agency has not been able to visit any of its staff detained by the Israeli authorities. The state of

health of such staff members, therefore, remains a matter of serious concern. In particular, one staff member from the West Bank who has been in administrative detention for one and a half years suffers from cancer. The Agency has supplied the Israeli authorities with the staff member's medical records and has requested that the staff member receive proper medical treatment for his condition. The Agency has had no reply to these requests. In addition, the Agency has received a report from another staff member from Gaza detained by the Israeli authorities that he was mistreated during his interrogation. This staff member suffers from heart disease. According to the staff member's wife, her husband is not receiving treatment for his condition. A staff member detained by the Palestinian authorities reported that he had been beaten on his legs by his interrogators. Other staff members detained by the Palestinian authorities in Gaza Central Prison expressed their concern about the overcrowded conditions of the cells but reported that the food was satisfactory, they were allowed to go to the prison yard on a daily basis and they could receive visits from their families. There were no reports of mistreatment in respect of staff detained by Jordanian authorities, and the two staff members detained by the Lebanese authorities reported that they were well treated during their detention.

143. *Freedom of movement of West Bank and Gaza Strip staff.* The Israeli authorities, citing security concerns, have continued to impose far-reaching restrictions on the freedom of movement of UNRWA personnel. The restrictions have included the external closure of the West Bank and the Gaza Strip, the imposition of curfews and internal closures, the setting up of checkpoints, and the continuation of cumbersome procedures stipulating the use of permits and magnetic cards for local staff resident in the West Bank for their entry into, and driving in, Israel and East Jerusalem. The Israeli authorities have also continued to impose restrictions on travel of UNRWA personnel and vehicles across borders and external crossing points, including Allenby (King Hussein) Bridge between the West Bank and Jordan, the Rafah border crossing between the Gaza Strip and Egypt, and the Erez (Beit Hanoun) crossing between Israel and the Gaza Strip, as well as at Israel's Ben Gurion Airport. These restrictions resulted in increased costs, a high number of employee absences and difficulty in delivering humanitarian supplies, all of which caused serious disruption to UNRWA's programmes in the occupied Palestinian territory during the reporting period. The restrictions are inconsistent with established principles of international law, the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations, the 1949 Fourth Geneva Convention Relative to the Protection of Civilian Persons in Time of War, the 1967 bilateral exchange of letters between the Agency and Israel (known as the Comay-Michelmore Agreement) and the commitments to improve access made by the Government of Israel to the Secretary-General's Personal Humanitarian Envoy, Ms. Catherine Bertini, in August 2002. The Israeli authorities state that the restrictions are necessary due to considerations of military security or are justified under Israel's inherent right of self-defence against terrorist attacks. The Agency continued to make representations to the Israeli authorities at all levels, including at meetings with the Israeli Ministries of Foreign Affairs and Defense, to have the constraints affecting UNRWA operations removed or alleviated. As during the previous reporting period, the Agency agreed, without prejudice to its positions of principle under international law, to consider pragmatic solutions attempting to meet legitimate Israeli security concerns, while easing the movement of its staff members. The Agency welcomed the expansion in the number of Israel Defense Forces (IDF) Liaison Officers, which was intended to facilitate the freedom of movement of the

Agency and other international and humanitarian organizations in the West Bank and Gaza Strip. The last months of the reporting period, however, saw a considerable increase in access restrictions, and the freedom of movement of UNRWA staff members remained unpredictable and often constrained.

144. *External closures of the West Bank and the Gaza Strip.* The procedures instituted by the Israeli authorities after September 2000 strictly regulating entry into and exit from the West Bank and the Gaza Strip for local staff members remained in place during the current reporting period. The Agency's local staff from these areas continued to be required to obtain a permit to enter Israel and East Jerusalem. (For further discussion of the permit regime, see paragraph [147]).

145. *Curfews and internal closures in the West Bank and the Gaza Strip.* The movement of UNRWA staff in the West Bank was severely restricted during the reporting period due to the imposition of curfews and IDF military operations. Curfews were imposed frequently on cities, towns, villages and refugee camps in the West Bank, affecting on average 680,140 inhabitants per month. The most severe restrictions were imposed in Hebron, Nablus, Tulkarem and Jenin. In the centre of Hebron, for example, curfews were lifted on only ten days during March 2003, and for only three or four hours at a time. IDF military operations, e.g., arrest and search campaigns, also prevented staff members from reaching their workplaces. Those staff members who were able to move during the reporting period (i.e., who were not prevented from leaving their homes due to ongoing curfews or military operations) were often physically prevented from reporting to work due to the obstruction of their movement caused by checkpoints and roadblocks. Checkpoints and roadblocks continued to be maintained on all major and most minor roads throughout the West Bank by the Israeli authorities during the reporting period. At the close of the reporting period there were more than 70 permanent checkpoints staffed by the IDF in the West Bank. Depending on the security situation, the IDF often erected additional temporary or "flying" checkpoints as well. In addition, most roads leading into and out of villages were routinely obstructed by earth mounds, concrete blocks, deep trenches, barriers and iron gates. The Israeli authorities instituted a new system during the reporting period requiring Palestinians to have a special permit for movement within the West Bank. UNRWA insisted that Agency staff members should be permitted to travel within the West Bank on the basis of their UNRWA identification cards, without the need for special permits. This was accepted in principle by the Israeli authorities, although, in practice, staff members continued to face difficulties with the IDF soldiers on the ground. Overall, UNRWA staff continued to experience significant access problems during the reporting period. There were on average 105 major access incidents per month being reported to the West Bank Field Office in which some 460 employees were denied access or delayed at checkpoints in the West Bank. These figures include only those incidents that involved UNRWA staff travelling in Agency vehicles and that were formally reported to the Agency. Most Agency staff travel in the West Bank in private vehicles. The access problem, therefore, is more serious than these statistics alone would indicate.

146. Since September 2000, the IDF have repeatedly divided the Gaza Strip by closing the secondary roads and placing checkpoints on the main north-south road at the Abu Houli-Gush Qatif and Netzarim junctions and on the coastal road. At other times, while the Abu Houli-Gush Qatif checkpoint was completely or partially closed, the coastal road remained open, allowing traffic to bypass the Netzarim

junction. In such cases, the Gaza Strip was still effectively divided, with the Khan Younis and Rafah areas in the south cut off from Gaza City in the north. From 1 July 2002 until 30 June 2003 there were 39 days of total closure. In addition, there were partial closures and delays at the checkpoints dividing the Gaza Strip on an almost daily basis. Such closures and delays resulted in an estimated total loss of 42,230 working hours (not including lost teaching days) at an estimated cost to the Agency of some $141,000. Closures and delays affected the movement of some 513 staff members. The figure decreased, compared to the 769 staff members affected last year, largely due to the redeployment of teachers and other staff that the Agency has been forced to undertake because of the closure regime. On occasion, the Agency was obliged to accommodate essential local staff members at hotels in Gaza City. During the reporting period, $54,058 was paid by the Agency for accommodating the staff who could not return home. There was a continuation during the reporting period of the Israeli security requirement imposed in April 2002 that vehicles, including United Nations vehicles, wishing to cross Abu Houli-Gush Qatif checkpoint in Gaza must carry at least two persons in addition to the driver. Since many UNRWA staff would normally drive alone or with no more than one other colleague, this meant that one or two additional staff members had to be taken away from other duties merely to be extra passengers in order to meet the three-person requirement. On 30 June 2003, the IDF withdrew from their positions at Beit Hanoun in the north of the Gaza Strip and from the Abu Houli-Gush Qatif and Netzarim junctions, thereby enabling traffic to move freely within the Gaza Strip. However, the closure regimes imposed on the Seafa area adjacent to the Dugit and Alai Sinai settlements in the north of the Gaza Strip in July 2001 and on the Al Mawasi area in the south in December 2001 continued during the present reporting period and were not eased as a result of the IDF pullback on 30 June 2003. These closure regimes include a night time curfew, beginning at 1600 hours, and daytime movement restrictions. The two areas were at times completely closed. These curfews and closures have rendered difficult, and at times impossible, the Agency's normal humanitarian services to some 1,145 Palestinian families living in these areas. From the latter part of March 2003, the coordination between the Agency and the Israeli authorities to allow UNRWA staff and vehicles access to Al Mawasi improved, making it easier to schedule the entry of Agency sanitation trucks and medical teams. However, UNRWA staff, vehicles and their contents were subjected to searches and delays on entering and leaving the area, which constituted a violation of the Agency's privileges and immunities under international law. Access has been denied since March 2002 for UNRWA trucks wishing to deliver food aid and since November 2000 for UNRWA to bring in building materials and contractors needed to repair refugee shelters. The 1800 to 0600 hours curfew imposed in February 2002 on the Abu Al Ajeen and Qarrara areas (with approximately 22,000 inhabitants) continued during the present reporting period.

147. *Entry and driving permits issued by Israel for UNRWA local staff.* The current reporting period saw the continuation of the general prohibition on holders of West Bank and Gaza identification cards, including UNRWA local staff, entering Israel and East Jerusalem. As in previous years, all Palestinians wishing to enter or transit through Israel or East Jerusalem have been required to apply for entry permits. The Israeli authorities have also required that local staff members be in possession of a magnetic card (for which a fee must be paid) proving that the person has received security clearance before they can qualify to receive entry permits. As of the end of the reporting period, only 303 employees (78 per cent) held valid permits out of 389

requiring them. At the close of the reporting period, some 37 West Bank employees continued to be refused entry permits for unspecified security reasons. Furthermore, the entry permits specifically forbid the holder to drive in East Jerusalem or Israel, thus necessitating a special driving permit, in addition to the entry permit and magnetic card, if a local staff member is to drive. The Israeli authorities confirmed again during the reporting period that no driving permits would be issued to local staff in the Gaza Strip and the West Bank, including to those local staff members whose work primarily involves driving. In the Gaza Strip, no local staff were issued with permits to enter Israel, save for a limited number of exceptional cases in which the Israeli authorities issued one-day permits. A few staff members with Jerusalem ID cards were issued permits to enter Gaza. Thus, official travel by local staff between Gaza and the Amman Headquarters was primarily via Egypt, entailing a costly two or three day journey as opposed to a four hour drive.

148. *Erez checkpoint.* As during the previous reporting period, generally only international staff members were permitted to cross the Erez checkpoint, which is the principal point of non-commercial transit between Israel and the Gaza Strip. There are some 115 international staff members holding a United Nations "laissez-passer" (UNLP) with service visa, while there are 17 staff members holding a UNLP with diplomatic visa. During the reporting period, all UNRWA vehicles entering Israel, except those in which the holder of a UNLP with a diplomatic visa was driving or riding, continued to be subjected to both internal and external searches, and the luggage of all staff members except those with diplomatic visas was routinely searched. On several occasions during the reporting period, the passage of international staff members through Erez checkpoint was delayed for several hours or denied altogether because of alleged traces of explosives on their vehicles, notwithstanding the fact that thorough searches of their vehicles had otherwise revealed nothing untoward. The additional "light" searches of vehicles in which holders of UNLPs with diplomatic visas were travelling and "light" searches of all other UNRWA vehicles prior to their being allowed to proceed to the more intrusive search described above that were initiated by the Israeli authorities in late April 2002 were not continued on a permanent basis into the present reporting period, but one or both measures were temporarily re-imposed from time to time. On 18 October 2002, while leaving Gaza through Erez, an international staff member with a valid service visa for Israel was taken into a separate room by IDF soldiers and body searched. He was also required to sign a statement (which he did under protest) saying that he was not in possession of any information that would threaten the security of the State of Israel. The IDF soldiers refused to provide him with a copy of the statement. No explanation was given to the staff member as to why he was singled out in this way. On his return through Erez he was again made to sign a statement and submit to a search. On several occasions during the reporting period, with such occasions increasing in frequency by the end of the reporting period, the passage through Erez crossing of international staff members, sometimes including those holding diplomatic visas, was held up for several hours for undisclosed security reasons, and on some occasions the Erez crossing was closed altogether. On 1 May 2003, additional security procedures were instituted at the Erez crossing without any prior notice to UNRWA. UNRWA international staff, although holding visas from the Israeli Ministry of Foreign Affairs, were made to wait for up to seven hours for unexplained "security checks" to be carried out by telephone before being allowed to cross, as a result of which many turned back. On 5 May 2003, two UNRWA staff members were asked to sign an IDF form specifying the reason for

their visit to Gaza and other details and agreeing not to visit large areas of the Gaza Strip which were said to be "strictly out of bounds". By signing the form, United Nations officials would also "accept that the Government of the State of Israel and its organs cannot be held responsible for death, injury and/or damage/loss of property which may be incurred as a result of military activity". One staff member, mistakenly, signed the form. The second, who holds a UNLP with diplomatic visa, categorically refused to do so and was eventually allowed to proceed into Gaza without signing. After protest, the requirement to sign the form was discontinued for United Nations staff members. From 11 to 17 May 2003, there was a complete closure of the Erez crossing to United Nations staff (except those with diplomatic visas) and to foreign nationals travelling on their national passports. The closure left a number of staff members stranded outside Gaza and unable to perform their normal tasks. Similarly, some staff members normally stationed outside Gaza were stranded in Gaza and were similarly unable to perform their normal tasks. On 17 May the IDF provided a list of service visa holders who would be allowed to pass through Erez, but limited the opening hours for all those without diplomatic visas to 0800 to 2000 hours, later expanded to 0700 to 2100 hours. Some United Nations agencies were omitted completely from the list, and not all UNRWA international staff were included. The Agency was told that those not on the list could not pass through Erez. Several weeks later the Agency was informed that all international staff members could now cross, even if they were not on the list, but that the first time they crossed they would be subjected to a security check that might take some time. In spite of these assurances, a number of international staff members omitted from the list continued to have difficulty crossing at Erez at the end of the reporting period, often facing long delays and sometimes being barred altogether. In addition, the IDF occasionally insisted on searching UNRWA vehicles coming into Gaza. The Agency refused to acquiesce in such searches, except to open the boot of the vehicle in order to assure the IDF soldiers at the checkpoint that no unknown persons were hiding inside. This meant that on a number of occasions Agency staff members driving UNRWA vehicles were refused permission to enter Gaza and forced to remain in Israel. In June 2003, the Israeli authorities at Erez crossing began to require all UNRWA staff members entering Israel (except those with diplomatic visas) to pass through a metal detector. The Agency vigorously protested the imposition of these new measures to the Israeli authorities.

149. *Allenby (King Hussein) Bridge* The search procedure for vehicles crossing from Jordan into the West Bank at Allenby Bridge introduced by the Israeli authorities during the previous reporting period continued to present a significant impediment to UNRWA's operations during the current reporting period. Under the procedure, which applies to vehicles other than those in which the holder of a UNLP with diplomatic visa is travelling, Agency vehicles are required to be separated from their occupants and are taken to a segregated, closed-off area where the vehicles are searched out of sight of the occupants. UNRWA has refused to accept this separate inspection procedure for reasons of both principle, believing that the procedure contravenes the 1946 Convention on the Privileges and Immunities of the United Nations, and security, being concerned about searches being conducted out of sight of the United Nations officials to whom the vehicles have been entrusted. As a consequence, the Agency has been compelled to rely on cumbersome alternative measures, including using senior staff with diplomatic status on an ad hoc basis to transport the Agency's diplomatic pouch and otherwise to tie up additional drivers ferrying UNRWA vehicles to and from the bridge rather than having one driver who

is allowed to drive his or her vehicle across the bridge. Furthermore, the new procedures have caused disruption to the functioning of Agency committees which require officials from the Amman headquarters to meet face-to-face with colleagues in the Gaza headquarters or the West Bank field office in Jerusalem. In addition, international staff members travelling on official business who hold UNLPs with service visas, including Agency couriers carrying the UNRWA official pouch to and from the Agency's headquarters in Amman, were obliged, in order to avoid inordinate delays, to use a VIP courier service to cross the bridge itself, at the additional cost of $75 each way for a three kilometre journey. UNRWA has protested to the Israeli Ministry of Foreign Affairs with respect to these procedures and has also sought practical solutions to the impasse, including requesting that the Agency's international courier drivers and their vehicles be accorded the same treatment as that given to holders of diplomatic visas and their vehicles. UNRWA also requested that if a full search is required for an UNRWA vehicle, it be carried out in the presence of a United Nations staff member. These practical measures, all of which had been raised during the prior reporting period, were still being discussed at the close of the current reporting period. During the current reporting period, the Israeli authorities attempted to introduce a new requirement that all personal baggage (including that of diplomatic visa holders) of persons leaving the West Bank and crossing into Jordan be searched. This new requirement was rejected by the Agency, and affected staff members had to wait for hours on several occasions while the matter was protested to the Israeli authorities. Eventually the Israeli authorities discontinued their insistence on this baggage search. In addition, local staff members with West Bank and Jerusalem identity cards were required to receive prior clearance from the Jordanian authorities to travel to Jordan for duty purposes. Staff members with West Bank identity cards who were under the age of 35 years were also required to have prior permission from the Israeli Civil Administration. This restriction was lifted in July 2003. On 3 October 2002, the Israeli authorities at Allenby Bridge refused to allow an UNRWA staff member to travel to Jordan, without giving any reason. Since mid-2002 the Israeli authorities have placed a limit on the number of West Bank ID holders allowed to cross Allenby Bridge to Jordan. For much of the reporting period the limit was approximately four busloads. West Bank ID holders, including UNRWA staff members, were required to obtain a reservation from the Palestinian Authority in advance for each available space.

150. *Ben Gurion Airport.* During the reporting period the Agency was unable to obtain permits for staff members with West Bank ID cards to use Ben Gurion Airport. As a result, such staff members who needed to fly to other destinations were required to travel to Amman to use the airport there. There were several reports during the reporting period from international staff members of long delays at Ben Gurion Airport while extensive questioning and baggage searches were carried out, and one incident in which the spouse of an international staff member was detained at Ben Gurion Airport for 30 hours without adequate justification, put in a holding cell overnight, and subjected, by her account, to degrading and inhumane treatment by the Israeli security authorities.

151. *Rafah crossing.* On many occasions during the reporting period, the Rafah border crossing between the Gaza Strip and Egypt was completely closed or was open only during severely restricted hours or for a limited number of vehicles per day. From 7 January 2003 until just after the close of the reporting period, male

Palestinians between the ages of 16 and 35 were not allowed to leave the Gaza Strip at all. This crossing generally remained the only point of exit from the Gaza Strip that was available for UNRWA local staff travelling on official business to the Agency's other fields of operations. The large number of people attempting to cross from the Gaza Strip into Egypt via Rafah has caused staff members travelling on official business to experience considerable delays and extremely difficult conditions, including being forced to wait for long hours in the sun, without adequate facilities, at times spending several days and nights at the border before being allowed to cross. These delays, together with the additional distance involved in having to go by air from Egypt, have greatly increased travel time and expenses, with adverse consequences on the Agency's operations and funds.

152. *International drivers.* The continuing prohibition on local staff with Gaza or West Bank identification cards driving in Israel has compelled the Agency, at considerable additional cost, to continue to use international drivers for all courier routes. The severe restrictions imposed on Agency local staff travelling throughout the West Bank and fears for their safety forced the Agency to reassign international staff members away from their normal duties to help distribute urgently needed food and medicine throughout the West Bank during part of the reporting period. Although international staff had for the most part returned to their normal duties at the end of the reporting period, it was still necessary on occasion for the Agency to send international staff on assignments in the West Bank that might otherwise have been carried out by local staff. The Agency also had to continue to rely in the West Bank on a team of international convoy supervisors, drivers, nurses and mechanics generously provided by one of the Agency's donors.

153. *Staff visas.* As was the case during the previous reporting period, international staff members holding Jerusalem, West Bank or Gaza Strip identity cards continued throughout the reporting period to be refused service visas by the Israeli authorities. In addition, Israeli authorities refused to issue visas for the spouses (holding local identity cards) of international staff members. The Agency made submissions to the Ministry of Foreign Affairs that as a matter of principle all international staff should be accorded equal treatment. Also, during the reporting period, the Israeli authorities failed to grant Agency applications for service visas for some 40 UNRWA local and international staff members of Arab and certain other ethnic or national backgrounds.

154. *Employment of local staff members in the Syrian Arab Republic.* During the reporting period, the Syrian authorities objected to the employment of 17 local staff members (5 fixed-term staff members and 12 persons hired on a temporary assistance basis) on unspecified security grounds. Five of the fixed-term staff members and three of the temporary employees were subsequently granted security clearance.

B. Agency services and premises

155. *Provision of services.* In the Agency's view, the continued restrictions imposed by the Israeli authorities on the freedom of movement of the Agency's personnel, vehicles and goods during the reporting period are not consistent with applicable principles of international law, including the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations, the 1949 Fourth

Geneva Convention and the 1967 Comay-Michelmore Agreement. The Agreement, inter alia, requires the Government of Israel to "facilitate the task of UNRWA to the best of its ability, subject only to regulations or arrangements which may be necessitated by considerations of military security". The Israeli authorities and the Agency have not been able to agree on the scope or application of the language relating to military security. In any case, rather than facilitating the Agency's operations, restrictions imposed by the Israeli authorities have continued to seriously disrupt the provision of Agency services in the West Bank and the Gaza Strip during the reporting period. In the West Bank, the extensive closures of cities, towns, villages, and refugee camps and the general restrictions imposed by the IDF on the Agency's freedom of movement hampered the operations of core UNRWA programmes throughout the West Bank. In the Gaza Strip, Israeli restrictions and their impact on the Agency's operations also continued to be severe, although the Agency was able to mitigate the impact of these restrictions to some degree by redeploying some staff to work in the area in which they reside.

156. Accessibility to health service installations in the West Bank during the reporting period was impeded for both patients and staff by measures taken by the IDF that frequently made travelling between towns, or even within towns, in the West Bank difficult and at times impossible. Medical staff affected by these restrictions included doctors, nurses, pharmacists, laboratory technicians, physiotherapists and x-ray technicians. On a number of occasions, ambulances were delayed at checkpoints or refused passage, even when carrying patients critically in need of care. Medical teams were also delayed or blocked. Instances of armed interference with ambulances and medical teams are further described in paragraph 163 below. The provision of medical services in the Gaza Strip, particularly specialist medical care, was also affected during the reporting period. Access for UNRWA's medical teams to closed areas such as Al Mawasi and Seafa (Dugit) continued to be severely restricted. The provision of services of diabetes specialists, cardiologists, paediatricians, gynaecologists and ophthalmologists to these areas had to be suspended, thereby obliging patients to seek specialized health care outside these areas during the restricted times when residents were allowed to exit. UNRWA's education programmes were adversely affected by the inability of teachers and students to reach Agency schools and training centres throughout the occupied Palestinian territory during the reporting period. In the West Bank, teachers and students were unable to reach their schools due to internal closures, curfews and delays or denials of passage at checkpoints. During the school year September 2002 to May 2003, 1,482 school days were lost at UNRWA's 95 West Bank schools, an average of 15.5 days per school, and 34,490 teachers' days were lost, an average of 145 teachers daily (7.8 per cent of the teaching staff), representing an economic loss to the Agency of some $830,000. During the reporting period, 4,202 instructors' days were lost at the three UNRWA training centres, representing a further economic loss of some $162,000. In the Gaza Strip, 399 teachers from the middle part of the Gaza Strip were regularly prevented from reaching their workplaces due to checkpoint delays or closures. Varying numbers of teachers were also unable to reach their schools due to IDF incursions in certain areas. This resulted in the loss of 24,596 teachers' days during the reporting period, representing an economic loss to the Agency of some $491,900. In addition, 55 instructors and staff and 471 trainees at the Gaza Training Centre (GTC) lost 1,466 teachers' days, representing a further economic loss of some $32,200. Education reports indicate that such losses of teaching time, as well as the general situation

existing in the Gaza Strip that has included attacks by the IDF on UNRWA schools during school hours, have adversely affected pupils' achievement in the major subjects and have led to high levels of anxiety and lack of concentration. The UNRWA relief and social services programme was also adversely affected by movement restrictions during the reporting period. Food distribution teams in the West Bank were prevented by Israeli security authorities from reaching their distribution points and food distributions repeatedly had to be rescheduled due to curfews and closures. Social workers were also regularly denied access to villages and rural areas. The relief and social services programme in the Gaza Strip was also affected by movement restrictions, particularly with respect to closed areas such as Al Mawasi and Seafa (Dugit). At the close of the reporting period, the Israeli authorities continued to refuse to allow building materials or UNRWA trucks carrying food aid to be brought into these areas. Intermittent closures at Karni crossing and at checkpoints also affected movement of staff and supplies during the reporting period. In the Gaza Strip the environmental and health programme was affected by the continued closure since December 2000 of the main access road to the solid waste landfill in Gaza City. Agency staff continued to use an alternate sandy road which caused damage to the trucks and generated delays in refuse removal from camps. The restrictions on access to the Swedish Village in Al Mawasi during the reporting period led to an accumulation of garbage, thereby creating an unclean environment including large populations of rats and flies. Garbage removal trucks were allowed improved access to the area from March 2003.

157. *The Karni crossing*. The blanket prohibition on UNRWA trucks moving into and out of the Gaza Strip that was imposed at the beginning of the intifada continued during the current reporting period. UNRWA continued during the reporting period to route its commercial shipments through the Karni crossing, except for construction materials which enter the Gaza Strip through the Sofa crossing. The Karni crossing was closed at the start of the reporting period until mid-August 2002. Following a shooting incident, it was closed again from 15 April 2003 until 4 May 2003 and again on 12 May. When Karni has been closed, the Israeli authorities have usually, after some delay, allowed UNRWA to bring humanitarian supplies into the Gaza Strip through the Sofa crossing. The process for bringing UNRWA cargoes into the Gaza Strip at the Karni crossing is as follows. Containers that have been sealed either in the port of embarkation or in the port of Ashdod after security checks are transported to Karni on trailers. At the Karni crossing, the containers are lifted by mechanical forklift off an Israeli trailer in a so-called "sterile area" and placed onto a Palestinian trailer. The process is reversed for empty containers that need to be returned to the shippers in the port. The Israeli authorities continued during the reporting period to levy a transit charge at Karni on the containers going into Gaza and, since September 2002, also on the empty containers going out. At the end of the reporting period, the transit fee on entry for full containers was NIS 150 (approximately $33.3) for a 20-foot container and NIS 200 (approximately $44.4) for a 40-foot container. The charge per empty container going out was NIS 150. UNRWA's view held that the charge was, in effect, a tax from which United Nations agencies should be exempted by virtue of their privileges and immunities, and the Agency has repeatedly requested an exemption on that basis from the Israeli authorities, to no avail. At the close of the reporting period, these taxes amounted to some $233,245. In addition, the Israeli authorities required United Nations agencies to obtain a special permit for certain goods to be

brought into Gaza. UNRWA requested the Israeli authorities to exempt the Agency from this requirement which the Agency considered a violation of the 1946 Convention on Privileges and Immunities of the United Nations, but thus far its request has been unsuccessful. Furthermore, the extensive closures of the Karni crossing that have occurred since April 2002 — compounded by occasional delays in allowing trailers and containers that have entered Gaza through the Sofa crossing to be taken out by the same route — have caused the Agency to incur excess storage and demurrage charges of some $369,500 as at the end of the current reporting period.

158. *Ashdod port*. The Agency continued to experience difficulty and incurred additional expense during the reporting period due to procedures introduced at Ashdod port in December 2001 that require every UNRWA shipment to be security checked by the Israeli authorities before being cleared by Israeli customs officials. For goods coming from certain countries, for example, Egypt and Turkey, up to 100 per cent of the cargo may be physically searched. The commodity imported in the largest quantity by UNRWA during the reporting period was flour from Turkey, thus necessitating a large number of such searches. In addition, the security check procedure includes x-raying samples from approximately five per cent of the contents of each consignment. The whole procedure thus involves unloading up to 100 per cent of the cargo from each container, physically searching it, taking a sample to a separate area to be x-rayed, and then loading all of the cargo back into the original container. Israeli customs and security officials at the port have, at the request of the Agency, endeavoured during the reporting period to minimize the time taken to inspect UNRWA's imports. Since November 2002, physical searches have been reduced to 25 per cent of each consignment regardless of the country of origin of the goods, although the Israeli authorities maintain that this is subject to security considerations which may necessitate a 100 per cent check. While the procedure has continued to result in delays and in the incurring of excess handling, storage and demurrage fees for which the Agency has requested, and been denied, reimbursement by the Israeli authorities, the reduction in security checking of consignments has reduced the average time taken to clear containers at the port compared to the prior reporting period and has consequently reduced the excess charges. In addition to the security checks, there have been other restrictions on imports imposed by the Israeli authorities, which the Agency regards as impermissible under the 1946 Convention on the Privileges and Immunities of the United Nations. Since early 2003, chemicals being imported by UNRWA for use in UNRWA's health, education and sanitation programmes in the West Bank and Gaza have been denied entry by Israeli customs officials. At the end of the reporting period, two consignments had been ordered to be re-exported or destroyed and five more consignments were still waiting to be cleared. A lathe being imported for use in one of UNRWA's training centres was also denied customs clearance for some four months. During 2002, 77 containers of sunflower cooking oil originating in Iran were denied customs clearance for many months, resulting in excess storage and demurrage costs to the Agency of some $465,300, for which the Agency has requested compensation from the Government of Israel.

159. *Passage through checkpoints*. UNRWA vehicles carrying Agency staff members within the occupied Palestinian territory were regularly stopped at checkpoints, often for extended periods of time, while identity checks and occasionally searches were carried out. During the reporting period, there were some

1,161 major incidents involving denial of entry or delay of UNRWA staff and vehicles at checkpoints in the West Bank involving some 5,078 UNRWA employees resulting in 7,959 lost working hours (equivalent to 1,061 working days). In some instances staff members' UNRWA identification cards were confiscated and occasionally summonses were issued to staff members instructing them to appear for questioning. On a number of occasions, staff members waiting at checkpoints were abused, physically assaulted and even fired upon by IDF soldiers. For example, there were at least eight incidents during the reporting period in which IDF soldiers pointed their guns at UNRWA staff seeking to cross checkpoints in the West Bank. In the Gaza Strip, on at least two occasions UNRWA vehicles were hit by IDF fire while waiting to cross Abu Houli/Gush Qatif checkpoint. The Agency has protested these incidents to the Israeli authorities, expressed its concerns for the safety of its staff and asked that the incidents be investigated and that appropriate disciplinary action be taken against the IDF soldiers involved. As of the end of the reporting period, however, there had been no response from the Israeli authorities to these requests.

160. *Searches of vehicles and goods*. In addition to the search procedures at the Erez and Allenby Bridge crossings and at Ashdod port discussed above, the Israeli authorities in the West Bank have frequently demanded to search UNRWA vehicles operating in the area. It is the Agency's policy to refuse such demands and to protest against such searches when they occur. Nevertheless, the Agency has on occasion submitted to searches, under protest, either because local staff were threatened or because vehicles carrying urgently needed humanitarian supplies or on other urgent missions would otherwise have been denied access to a given area. For instance, on 11 September 2002 at Kalandia checkpoint an UNRWA staff member was stopped and her files and documents belonging to the Agency were searched. Similarly, on 3 December 2002 IDF soldiers at Huwwara checkpoint stopped a United Nations vehicle carrying two UNRWA legal staff. The soldiers were hostile towards the staff and, despite the staff's protests, carried out a search of their Agency vehicle and Agency files and documents. During another incident on 1 October 2002 at Kalandia checkpoint IDF soldiers stopped an UNRWA bus, ordered the driver off the bus, and then searched it. The driver caught one soldier taking a hammer from the bus. He retrieved the hammer from the soldier but upon return to Ramallah, he discovered three other hammers missing. On 30 April 2003, three staff members on duty in a United Nations vehicle were stopped by IDF soldiers at Ein Kinya/Dolave checkpoint and forced at gunpoint to get out of the vehicle and kneel on the ground. After being detained for three hours, during which time the IDF soldiers searched the vehicle and official documents that were inside. At the end of the three hours, they were released but still not allowed to cross the checkpoint. In the Gaza Strip, as noted in paragraph 146 above, UNRWA staff and vehicles are required to be searched prior to being allowed to enter the Al Mawasi area. UNRWA staff members must remove their protective flak jackets and helmets, put this equipment and any other items being carried in their vehicles through a mobile X-ray machine, and walk through a metal detector. This process leaves the staff members completely exposed to possible gunfire, which periodically erupts in the area, while the IDF soldiers are protected behind concrete walls or in fortified positions. In one incident during the reporting period, the Agency had arranged with the IDF liaison office for a medical team to visit Al Mawasi. Upon the team's arrival at Toufah checkpoint at approximately 0945 hours on 15 January 2003, IDF soldiers checked the Palestinian and UNRWA identity cards of the doctor, two nurses and driver making up the team

and asked them to disembark from the ambulance. The female nurse was required to submit to a body search. In the meantime, the IDF conducted an extensive search of the ambulance which lasted for approximately one hour, after which the staff were told to return to the ambulance and were then locked inside the back of the ambulance for an hour before being let out. At about 1230 hours the soldiers returned the identity cards and informed the team that they would not be allowed to proceed to Al Mawasi. The Agency has protested the above incidents to the Israeli authorities and requested investigations, but as of the end of the reporting period there had been no reply from the Israeli authorities.

161. *Construction projects*. During the reporting period, construction projects in the West Bank and the Gaza Strip were delayed or stopped altogether due to the restrictions on movement of personnel, vehicles and goods as well as due to a lack of construction materials. In the West Bank, for example, 25 construction projects with a combined budget of $7.7 million were delayed. In the Gaza Strip, five construction projects with a budget of some $226,000 were completely stopped and another 24 projects with a budget of some $8.2 million were partially stopped.

162. *The Operations Support Officer programme*. The Operations Support Officer (OSO) programme has been expanded in the West Bank during the present reporting period from 6 to 10 international staff and has been re-introduced in the Gaza Strip, where at the end of the reporting period there were four international Operations Support Officers on duty. The programme was designed to reinforce the Agency's existing operations in its core areas of relief and social services, health and education and to help deal with the increasingly severe access restrictions being imposed on these operations by the Israeli authorities. The programme played an invaluable role during the reporting period in facilitating access of staff members and UNRWA vehicles, including ambulances and humanitarian convoys, through checkpoints in the occupied Palestinian territory, in reporting on the developing humanitarian crisis among the Palestinian population to which UNRWA provides assistance and in bolstering the Agency's resources for monitoring and inspecting all UNRWA installations on a regular basis to ensure that they are not being used for any unauthorized or improper purposes.

163. *Armed interference*. The Agency has been particularly concerned at the continuing level of armed interference with UNRWA personnel and vehicles by members of the IDF during the reporting period. The security of staff members is an issue of utmost and ongoing seriousness for the Agency. IDF soldiers at the numerous checkpoints and other locations throughout the West Bank have on many occasions failed to show respect for UNRWA personnel, vehicles or identification cards. On-duty staff members have had their UNRWA identification cards destroyed or confiscated, been detained at checkpoints unjustifiably, and been verbally abused, physically assaulted, threatened at gunpoint and shot at. The most serious and tragic case of armed interference with UNRWA installations during the reporting period occurred on 22 November 2002 when an IDF sniper shot and killed the manager for UNRWA's Jenin Rehabilitation Project, Mr. Iain Hook, while he was on duty inside the UNRWA project compound in the Jenin refugee camp. In other incidents, on 29 October 2002 IDF soldiers in an APC stopped an UNRWA mobile medical clinic in Jenin, searched it and held one UNRWA staff member first at gunpoint and then blindfolded, handcuffed and detained inside the APC for five hours. On 18 March 2003 an IDF armoured personnel carrier in Hebron crossed the divider on a main road and rammed an UNRWA vehicle, pushing it for 160 metres, injuring the driver

and causing damage to the vehicle. On 10 April 2003, an UNRWA international staff member in a United Nations vehicle was threatened at gunpoint by IDF soldiers manning Beit Iba checkpoint in the West Bank. On 15 May 2003 a United Nations van carrying an eight-person medical team from UNRWA's clinic in Deir Ammar camp came under IDF fire in the Ein Musbah area of Ramallah, resulting in injury to three staff members. In the Gaza Strip, on 9 December 2002 an UNRWA bus carrying UNRWA staff and students from the GTC was fired upon by the IDF at Abu Houli/Gush Qatif checkpoint, while on 9 February 2003 an UNRWA mini-bus waiting at the same checkpoint was hit in the windscreen by a bullet fired by the IDF.

164. *Armed interference: shooting at schools; endangering civilians; killing of staff members*. In addition, throughout the reporting period, there have been many instances when the safety of staff and students in schools operated by the Agency has been put at risk due to actions of Israeli security forces. At 1030 hours on 29 September 2002, Israeli border police fired tear gas into the schoolyard of the Shufat Basic Girls School in the West Bank, resulting in 70 children, including 20 pre-school aged children, suffering from gas inhalation. In the nine-month period between October 2002 and June 2003, there were 14 occasions on which the IDF fired upon UNRWA schools, mostly located in the south of the Gaza Strip, during school hours. Generally the staff and students had to take cover under their desks or the schools were evacuated. A total of five students and a school canteen operator were injured inside the schools in these incidents. In the most serious, on 5 March 2003 IDF gunfire struck UNRWA's Khan Younis Elementary Co-ed B School in the Gaza Strip. A 12-year-old girl sitting at her classroom desk was hit by a bullet in the back of the head and is now blind. In a similar incident, at 1030 hours on 4 May 2003, a 13-year-old boy at UNRWA's Khan Younis Preparatory Boys School was hit by a bullet in the face while sitting at his desk and received wounds below his left eye. In a different kind of incident, on 10 June 2003 at 1105 hours, two IDF helicopters carried out air strikes on an automobile in Gaza City wounding a teacher in the schoolyard of the nearby UNRWA Beach Camp Elementary School and shattering 24 windows at the school. The Agency has protested to the Israeli authorities that these actions, which interfere with UNRWA installations and endanger UNRWA staff and children, violate Israel's international legal obligations under, inter alia, the 1946 Convention on the Privileges and Immunities of the United Nations, the 1989 Convention on the Rights of the Child and the 1949 Fourth Geneva Convention. The Agency was also concerned at the number of incidents in which IDF operations were carried out in densely populated civilian areas, thereby causing an increasing number of incidental civilian injuries and fatalities, including the deaths of four UNRWA staff members and a school counsellor working for UNRWA under contract.

165. *Interference by Israeli settlers*. Israeli settlers in the occupied Palestinian territory, particularly in the West Bank, continued to constitute a threat to the safety and security of Agency staff during the reporting period. There were several occasions where settlers harassed staff members in United Nations vehicles at checkpoints by shouting obscenities, threatening them and spitting at them. On other occasions settlers threw stones at United Nations vehicles as they were travelling on roads throughout the West Bank.

166. There were no instances during the reporting period of armed interference with UNRWA personnel or vehicles by the Palestinian, Jordanian, Syrian or Lebanese authorities.

167. *Incursions into installations*. During the reporting period there were many incursions by the IDF into UNRWA installations in the West Bank in contravention of Israel's obligations under international law. For example, on 24 August 2002 IDF soldiers forcibly entered the Jalazone Boys School, using a tank to break down the main door. On 23 September 2002 there was an incursion by the IDF into UNRWA's warehouse near Balata camp during which an international staff member was threatened and his camera destroyed by soldiers. On 25 September 2002 an IDF special unit made an incursion into UNRWA's Qalqilya hospital where they threatened staff and patients at gunpoint, beat five members of the hospital staff, including a female administrator and a health official who had arrived at the scene to treat the wounded, and then arrested three other Agency staff members. On 29 October 2002 three IDF soldiers forcibly entered the UNRWA Hebron Health Centre and threatened the medical officer with a firearm. On 25 November 2002 the IDF forcibly entered and searched UNRWA's sanitation room in Aida refugee camp and attempted to forcibly enter the Camp Services Officer's office. On 22 December 2002 IDF soldiers forcibly entered UNRWA's Jiflik Co-ed School and searched the school for more than two hours. The soldiers photocopied documents from the headmaster's office and videotaped items in the school. On 26 December 2002 at 1230 hours the IDF fired on the office of UNRWA's Microfinance and Microenterprise Credit Programme in Hebron while staff members were on duty. Several bullets penetrated the window. On 5 February 2003 IDF soldiers entered the same office at approximately 1000 hours, firing their weapons and terrifying the UNRWA staff. On 2 April 2003 IDF troops forcibly entered UNRWA's Tulkarem Girls School and used the grounds of the compound for several days as a temporary detention centre for male camp residents. The IDF had occupied the same school for three days between 30 October and 1 November 2002 and did so again on 8 May 2003 for one night. On 2 June 2003 at 0850 hours, approximately 10 IDF soldiers stormed the UNRWA Health Centre in Nablus Camp No. 1. The soldiers tossed two sound bombs, one into the waiting room where about 50 patients were waiting for treatment and the other at the entrance of the pharmacy. The patients, including pregnant women, children and the elderly, and staff were ordered at gunpoint to lie on the floor. An UNRWA staff member was struck on the neck and then arrested and taken away. In the Gaza Strip, on 13 May 2003 10 IDF soldiers entered the schoolyard of the Khan Younis Elementary D Co-ed School by climbing over the locked main entrance gate and ordered the school attendant to unlock the main gate and to remain in his shelter. The soldiers left shortly thereafter.

168. There was one incursion into an UNRWA installation during the reporting period by Palestinian Authority forces. On 1 January 2003, members of the Palestinian security forces entered the UNRWA Elementary "A" and "F" school in Khan Younis in the Gaza Strip and went to the roof to monitor the rally taking place in the adjacent stadium to mark the thirty-eighth anniversary of the foundation of Fatah. The Agency protested this incident to Palestinian Authority officials and the security members subsequently left the premises. There were also a limited number of incursions into UNRWA facilities by Palestinian armed elements during the reporting period. For instance, on 31 December 2002 a group of approximately 70 armed Palestinians ignored Agency protests and used the UNRWA Daraj Elementary

School in Gaza City for more than one hour to change their clothes and prepare for the celebrations of the thirty-eighth anniversary of the Fatah foundation. In incidents on 27 January and 15 February 2003 a number of masked armed men broke into UNRWA's Khan Younis Sorting Centre, held the guards in a room and set fire to part of the premises. On each occasion the Agency immediately contacted the local security authorities and fire brigade. In the West Bank on 30 April 2003 approximately 15 masked youths carrying hatchets and knives entered the UNRWA boys and girls schools in Aida camp at approximately 0930 hours and forced many of the students to leave the schools in order to attend a funeral. There was a further incident on 23 May 2003, when the Al Aqsa Brigades broke into the Balata Boys School and held a memorial ceremony attended by thousands of people, where political speeches were given and weapons were fired into the air. This occurred in spite of UNRWA's strong protests in advance of the incident.

169. There was an incursion on 4 September 2002 by the Lebanese army into an UNRWA school compound in Wavel camp in the Beqaa valley in Lebanon in the course of a search of the camp by the army for certain persons and weapons. The school premises were damaged in this incident, which was protested to the Lebanese military authorities.

170. The Agency has strongly protested to the Israeli, Lebanese and Palestinian authorities against such incursions. The Agency has long-established policies and procedures in place to deal with requests for carrying out searches of UNRWA installations and to cooperate with any reasonable investigation that might be required by police, military or judicial authorities. In certain locations in the Gaza Strip, for example Khan Younis, in order to ensure that Palestinian militants do not use UNRWA schools as bases from which to attack IDF units or Israeli settlements, the Agency requested and was provided with security guards for nine of its schools by the Palestinian Authority during the reporting period. The Agency also asked for members of the security forces to be deployed around the Khan Younis Sorting Centre. The Palestinian Authority complied with this request.

171. *Damage to UNRWA installations and vehicles*. IDF caused substantial damage to UNRWA installations during the reporting period, although not to the same extent as in the previous reporting period. In the West Bank, some 26 installations and 12 vehicles were damaged by IDF actions, including firing, armed incursions and demolitions of nearby structures. The damaged installations included schools and health clinics. Damage caused to Agency installations and vehicles by IDF in the West Bank during the reporting period amounted to approximately $66,300.

172. In the Gaza Strip, 26 UNRWA installations were damaged during IDF military operations, many of them on more than one occasion and mostly in the southern part of the Gaza Strip. The damage occurred as a result of Israeli military gunfire, sometimes in response to firing by Palestinian gunmen, sometimes for no apparent reason. For example, the Ahmad A/Aziz Preparatory Boys School in Khan Younis was damaged 13 times by IDF firing in the area. El Omariya Elementary and Preparatory Boys School was hit five times. In total, 22 UNRWA schools sustained damage estimated at $23,800. Damage caused to Agency installations and vehicles by IDF in the course of military operations in the Gaza Strip during the reporting period amounted to approximately $46,000.

173. On 23 September 2002 and 23 March 2003, the Agency submitted claims to the Israeli Ministry of Foreign Affairs for compensation by the Government of Israel

for damage caused to UNRWA property in the West Bank and the Gaza Strip for the period from 28 September 2000 to 31 December 2002, amounting in total to $778,743. As of the end of the reporting period, the Agency had not received any response from the Government of Israel on these claims. The Agency intended to submit additional claims for the damages incurred in the period 1 January to 30 June 2003 in due course.

174. Israel has repeatedly stated that it is supportive of UNRWA's mandate. The Agency is engaged in a continuing dialogue with the Government of Israel concerning the ongoing impediments being encountered by the Agency in carrying out its operations in the occupied Palestinian territory. In spite of the occasional resolution of some issues, however, there was no improvement in the overall situation during the current reporting period compared to the previous one, and in many respects, UNRWA's situation deteriorated.

C. Other matters

175. *Functioning of headquarters.* The operations of the Gaza headquarters of UNRWA have been adversely affected by Israeli restrictions on the freedom of movement of UNRWA local staff and some international staff who are assigned to the headquarters. The search procedures instituted at Allenby Bridge during the previous reporting period have continued to disrupt normal headquarters operations, including the courier and pouch services (see para. 149 above). A new regime of extensive security checks at the Erez crossing that went into effect at the beginning of May, and closures of the Erez crossing for certain periods, further disrupted UNRWA operations during the reporting period. UNRWA protested vigorously to the Israeli authorities against these measures, noting in particular that the various new restrictions imposed on the movement of United Nations officials were violations of the Agency's privileges and immunities under international law.

176. *Legal advice and assistance.* UNRWA was prepared to provide legal advice and assistance to refugees applying for family reunification in the Gaza Strip. Since September 2000, however, the Israeli authorities have stopped receiving applications for family reunification. At the end of the prior reporting period, there were 400 such applications pending with the Israeli authorities that had been submitted by UNRWA through the Palestinian Liaison Committee. The Agency continued to respond to requests for confirmation of refugee status from Palestinians and from governmental and non-governmental organizations worldwide.

177. *Reimbursement of taxes and other charges.* During the reporting period, the Agency was reimbursed by the Palestinian Authority some $4.1 million for value-added tax (VAT) paid by the Agency in the Gaza Strip in prior years. The Agency was not reimbursed by the Palestinian Authority for any VAT paid by the Agency in the West Bank. At 30 June 2003, the total amount of VAT still due to the Agency from the Palestinian Authority was approximately $21.3 million. The Palestinian Authority has acknowledged that reimbursement was due to the Agency for these taxes, but has emphasized that it faced a critical financial shortage resulting in part from the failure of the Israeli authorities to pay over to the Palestinian Authority substantial amounts of VAT and other taxes. Effective 1 January 2002, the Agency reached agreement with the Palestinian Authority that for Agency contracts in the Gaza Strip of over $1,000 in value the Agency would benefit from "zero rating" for

VAT purposes. The Agency, therefore, no longer pays VAT on such contracts in Gaza. During the reporting period the Palestinian Authority also approved a system of zero rating for construction contracts in the West Bank field. The Palestinian Authority has refused to extend the zero rating system in the West Bank to procurement contracts on the grounds that refunds of VAT previously paid will start shortly. The issue of reimbursement by the Government of Israel of port and related charges incurred by the Agency in connection with goods imported to Gaza and the West Bank through Israel remains unresolved. Since June 1994, in the case of cargo destined for the Gaza Strip, and January 1996, for cargo destined for the West Bank, UNRWA has been paying all charges for Agency cargo arriving at Israeli ports. These charges were previously paid by the Israeli authorities. The Agency's position is that the obligation to pay port and related charges remains with Israel pursuant to the terms of the 1967 Comay-Michelmore Agreement. The total amount of port charges due to the Agency at 30 June 2003 is approximately $7.7 million.

178. During the reporting period, the Agency continued to be required to pay port fees and charges to the Syrian authorities, which the Agency maintains is contrary to the 1948 Agreement between the United Nations and the Government of Syria known as the Count Bernadotte Agreement. This matter remained unresolved at the end of the reporting period.

179. *Restrictive procedures*. In the Syrian Arab Republic, the Agency is required to submit its customs declaration forms with commercial invoices for endorsement by the Boycott Office. While no imports have been refused as a result of this requirement, the Agency has repeatedly protested the requirement to the Syrian authorities on the grounds that UNRWA's imports should not require such endorsement. With respect to the importation of vehicles, the Syrian Government has confirmed that there is no limitation on the number of vehicles that UNRWA may import for the purpose of carrying out its operations. In practice, however, the Syrian authorities continue to make the importation of new vehicles contingent on the deletion of the records of existing vehicles, on a one-for-one basis, which represents a de facto limitation. The Agency successfully asserted its right during the reporting period to import additional vehicles in two cases where new requirements had arisen. On the other hand, difficulties in obtaining approval for the transfer of four unserviceable vehicles to the Damascus Training Centre for use in training had delayed the registration of four new vehicles more than 10 months by the end of the reporting period. The Agency continues to pursue these matters with the Syrian authorities. During the reporting period the Agency held several discussions with the Israeli authorities over the issue of vehicle insurance for UNRWA vehicles registered with the Israeli authorities for use in Israel, the West Bank including East Jerusalem and the Gaza Strip. UNRWA procures such insurance under a global policy from a Palestinian insurance company that covers UNRWA vehicles in all of its five Fields of operation and Israel. At the close of the reporting period, the Israeli authorities continued to refuse to recognize the Agency's Palestinian insurer, and the Agency was working with the insurer to find a practical solution that would satisfy the Israeli authorities and still meet the Agency's needs for fleet insurance that would cover vehicles in all of its five Fields as well as in Israel. Several staff members driving UNRWA vehicles in the West Bank and carrying valid insurance from the Agency's Palestinian insurer were arrested during the reporting period and charged with driving without valid insurance. At the close of the reporting period, the Israeli Ministry of Foreign Affairs was assisting the

Agency to have the charges suspended, pending a resolution of the vehicle insurance matter.

180. *Exchange rate*. In October 2002, the Commercial Bank of Syria refused to recognize UNRWA as eligible for the new favourable exchange rate that had been announced by the Government of Syria for non-commercial organizations. Through representations to the Ministry of Foreign Affairs and in letters and meetings with the Commercial Bank of Syria, the Agency asserted UNRWA's right to be included with the other international organizations entitled to the new exchange rate. On 5 February 2003 the Commercial Bank applied the new exchange rate to UNRWA's bank accounts in Syria, retroactively to 29 October 2002, and in April 2003, the Bank also agreed to credit the Agency's account with the interest that would have accrued had the new rate been applied immediately from the date of the decree.

Chapter V
Jordan

A. Education

181. *Elementary and preparatory schooling*. The 190 Agency schools in Jordan accommodated 135,349 pupils in the six-year elementary cycle and four-year preparatory cycle in 2002/2003, a decrease of 552 pupils (0.41 per cent) in 2002/2003 compared with the previous academic year. The decrease in enrolment was attributed to several factors, such as the transfer of refugee pupils from UNRWA schools to newly constructed government schools next to some refugee camps, the shorter school week in government schools (five days as compared with six days in UNRWA schools), and the predominance of a single shift in government schools.

182. *Education infrastructure*. The poor physical condition of many UNRWA school premises in Jordan continued to be of concern to the Agency. A total of 49 unsatisfactory rented schools accounted for 25.8 per cent of the 190 schools used by the Agency in the field. The reconstruction of one school building to replace two old and unsatisfactory rented school buildings, two classrooms and two canteens are under way. Nine water tanks and three canteens were constructed.

183. *Special education*. The special education project continued to provide services to children with learning difficulties in the elementary cycle, and included 81 deaf children, one blind child, 850 low achievers and slow-learning pupils and 628 pupils who needed remedial classes during the academic year 2002/2003.

184. *Vocational and technical training*. A total of 1,290 trainees, including 536 women, were enrolled in 16 trade courses and 11 technical/semi-professional courses at the Amman training centre and the Wadi Seer training centre during the 2002/2003 academic year. Technical/semi-professional trainees maintained excellent results in the comprehensive examinations for community colleges administered by the Jordanian Ministry of Higher Education in July 2002, attaining pass rates of 97.55 per cent at the Amman centre and 76.14 per cent at the Wadi Seer centre, as compared with the national average of 60.25 per cent in corresponding subjects.

185. *Educational science faculty*. The educational science faculty at the Amman training centre provided pre-service training for 439 UNRWA students, including 293 women. During the reporting period, 107 students graduated from the pre-service programme, all of whom were awarded an accredited bachelor's degree in education.

186. *University scholarships*. In 2002/2003, 14 scholarships, seven of which were held by female students, continued from previous years.

B. Health

187. *Primary care*. UNRWA health care for Palestine refugees in Jordan was delivered through 23 primary health-care facilities, all of which provided family planning and laboratory services. Twenty facilities provided special care for non-communicable diseases, and one operated radiology and physiotherapy units. Dental care was offered at 20 facilities, in addition to three mobile dental units which

provided school and community oral health care. Specialist care in obstetrics and gynaecology was provided through a weekly rotating schedule, whereby prescreened patients were referred by medical officers for further assessment and management by specialists. Many refugees in Jordan utilized more easily accessible government primary health-care services. Out of six primary health-care facilities providing preventive maternal and child health-care services, three were upgraded to comprehensive health centres providing the full range of preventive, curative and support services. Works were completed for the construction of two new health centres in the Jordan field to replace the unsatisfactory rented premises. Arrangements were also made to procure eight dental units as additional/replacement of old units.

188. *Secondary care*. Assistance towards secondary care was provided through a reimbursement scheme, which partially covered medical expenses incurred by refugees for emergency treatment at government hospitals and safe delivery of pregnant women at high risk, both in government and private hospitals. Owing to the high demand on the reimbursement scheme, generated by increased socio-economic hardship and an increase in hospitalization costs, the terms of assistance were revised and additional budget provisions were allocated. New arrangements were also made to improve the procedures for settlement of reimbursement claims.

189. *Cooperation with the Government of Jordan*. The long-standing cooperation between UNRWA and the Jordanian Ministry of Health continued to cover a wide range of public health activities, including immunization, surveillance of communicable diseases, tuberculosis control, development of human resources for health, quality assurance of essential drugs, and in-kind donations of vaccines used in the expanded programme on immunization. The Ministry of Health met the Agency's requirements of contraceptive and vaccine supplies. Moreover, the Ministry of Health decided to replace the quadruple vaccine by a quintuple vaccine containing five antigens, which will be put into use as soon as supplies of the former vaccine are exhausted. As part of the collaborative efforts with the host authority, training of laboratory personnel from all fields on isolation, identification, serotyping and anti-microbial sensitivity testing of salmonella organisms was organized at the Central Public Health Laboratory of the Jordanian Ministry of Health. In addition, the local authorities started a programme for issue of multivitamin tablets to all children in government and UNRWA schools.

C. Relief and social services

190. *Refugee registration*. As at 30 June 2003, 1,718,767 persons were registered with UNRWA in Jordan. This was an increase of 2.42 per cent compared to the previous reporting period. Jordan hosts 42.10 per cent of all registered refugees and thus constitutes the largest of the five UNRWA fields of operations. Eligibility and registration staff provided in-depth lead analysis for the first phase of the development of a new computerized, online registration system for the Agency, including a thorough business analysis of all current registration procedures and practices.

191. *Special hardship programme*. At the end of June 2003, the number of persons enrolled in the special hardship programme was 44,157, representing 2.57 per cent of the Agency-wide registered refugee population. Demand on the programme

continued to rise, due to the increasing economic hardship in Jordan. A total of 3,119 new special hardship case applications were received during the reporting period, as compared with 2,797 the previous year; 1,950 were accepted into the programme.

192. *Selective cash assistance*. A total of $98,339 was distributed as direct cash aid to 826 refugee families facing emergency situations or exceptional difficulties. The average size of the grants per family was $119. These one-time grants were approved by senior RSSD staff, in coordination with social workers, after verifying the need, and were used to buy essential items such as clothing, kitchen kits, and heating supplies.

193. *Shelter rehabilitation*. During the reporting period, 65 shelters occupied by special hardship families were reconstructed through a donation of euro 600,000 ($591,133). There were still 356 shelters in urgent need of rehabilitation at an estimated cost of $3,816,913 at the close of the reporting period.

194. *Poverty alleviation*. The programme continued with the provision of its two major financial products: cost-sharing grants for the clientele representing special hardship cases and business loans for entrepreneurs from a wider range of socio-economic backgrounds. Some 74 SHC families received self-support projects valued at $218,276 during the reporting period, with beneficiaries paying 15 per cent of the total value of the self-support project. The cumulative number of self-support projects through the end of the reporting period was 647, with a total value of $2,003,978. The programme complemented its outreach by introducing an augmented microcredit lending product to the existing small-scale income generation lending. The maximum amount of a microcredit loan was $700, extended to refugees who failed to secure two guarantors but were nevertheless able to present a certified check in favour of the Bank of Jordan which administers the programme's portfolio. The number of income generation loans disbursed during the reporting period was 74, for the total amount of $216,215, while the number of microcredit loans for the same period was 42, for the total amount of $28,319. The cumulative number of income generation projects to date was 508 for the value of $1,908,266.

195. *Women in development*. The ongoing networking and partnership with several United Nations agencies, local and international NGOs, government departments, donor representatives contributed to the successful work of the Women's Programme Centres (WPCs). Through financial and technical support from the department and its staff, the work of the centres was further enhanced. As a step ahead towards organizational and administrative sustainability of the WPCs, the Standard Management Manual for the Community-Based Organizations (CBOs) was implemented at the WPCs with the support of the 14 Women Local Administrative Committees and the social services division. The diversified activities of the WPCs continued to attract local community members and included new training courses, such as the International Computer Driving License (ICDL). Approximately 9,000 women participated in the activities of the WPCs, 1,245 children benefited from 14 kindergartens and nurseries, and 354 women and men received services from the two legal advice bureaux. In addition, a total of 500 awareness sessions addressing social, health, legal, and economic concerns were conducted, benefiting 24,742 community members.

196. *Community-based rehabilitation*. The 10 Community Rehabilitation Centres (CRCs) continued to provide specialized physiotherapy, occupational therapy, speech therapy, tutoring and early intervention services for approximately 2,251 physically and mentally disabled children. In addition, around 2,800 physically and mentally disabled persons received assistance on an ad hoc basis, and around 400 cases were served through the outreach programme. Local and international institutions played an active role in providing specialized services at the CRCs. A total of 150 students were mainstreamed into regular schools and kindergartens in coordination with UNRWA's education department. Some 200 awareness-raising sessions were held during the reporting period, benefiting 5,000 participants. Efforts continued to strengthen the technical, financial and managerial capacity of volunteer members of the CRC Local Administrative Committees and staff.

Chapter VI
Lebanon

A. Education

197. *Elementary and preparatory schooling*. In the 2002/2003 academic year, the 79 UNRWA pre-secondary schools in Lebanon accommodated 39,730 pupils in the six-year elementary cycle and three-year preparatory cycle. Enrolment increased by 154 students in the elementary and the preparatory cycle. In the annual *brevet* examination for students at the third preparatory level held in July 2002, pupils in Agency schools attained a pass rate of 45.12 per cent, compared with 52.38 per cent in government schools

198. *Secondary schooling*. Lebanon remained the only field in which UNRWA offered secondary-level education on a limited scale to address the problem of restricted access for Palestine refugees to government schools, and because the refugees could not afford the high costs of private schools. There were five secondary schools: the Galilee school in Beirut, the Bissan school in Saida, the Al-Aqsa school in Tyre, the Nazareth school in the north, and Qastal school in Beqaa. Nazareth school was relocated to Al-Majdal preparatory school where an additional 10 classrooms were constructed through donor contributions. Student results in the official secondary examination (BaccII) during 2001/2002 was 67.02 per cent, in contrast to the pass rate of 82.6 per cent in private and government schools.

199. *Education infrastructure*. Work was completed on one school building at the Siblin training centre to replace two unsatisfactory rented schools. Construction was completed on 10 classrooms and one specialized room. A high proportion (46.6 per cent) of schools in Lebanon are housed in unsatisfactory rented premises. The small size of the classrooms available in rented buildings kept the classroom occupancy rate relatively low (30.4 pupils). Since the Agency is not allowed to replace rented schools outside the camps by Agency-built schools, the Agency's education programme continued to exert efforts to find suitable premises.

200. *Vocational and technical education*. The Siblin training centre provided vocational and technical training for 699 trainees, of whom 196 were women, in 15 trade courses and eight technical/semi-professional courses.

201. *Pre-service teacher training*. The total enrolment in the teacher training section at the Siblin training centre was 131 students, of whom 92 were women. Utilizing a curriculum designed by UNRWA, 71 students graduated from the course in August 2002 and all of them were employed by the Agency.

202. *Kindergartens*. The four French-language kindergartens funded by a donor continued to operate, with 189 children enrolled in the 2002/2003 academic year.

203. *University scholarships*. In 2002/2003, five scholarships, two of which were obtained by female students, continued from previous years.

B. Health

204. *Primary care*. UNRWA remained the main provider of health care for registered refugees in Lebanon. Access to public sector health services was restricted and refugees were unable to afford the high cost of private care. Agency services were provided through 25 primary health-care facilities, all offering family planning services, of which 24 offered special care for the management of diabetes mellitus and hypertension, 17 provided dental care, 15 contained laboratories, four of which had radiological facilities, and 15 offered specialist care in cardiology, obstetrics and gynaecology. The construction of comprehensive health centres to replace the old mother and child health-care centres in Ein El-Hilweh and Beddawi camps was completed.

205. *Secondary care*. Hospital care was provided for refugees in Lebanon through contractual arrangements with 14 private and Palestinian Red Crescent Society general hospitals, and one mental health institution. Steadily rising costs and the wide gap between the minimum needs of the refugee population and the resources available to UNRWA made the provision of sufficient hospital care a priority health concern in the field. Owing to especially difficult socio-economic conditions, refugees in Lebanon remained exempt from the system of co-payments in place in other fields, although co-payments were required for specialized life-saving treatment. Within the framework of the preparation of the 2004-2005 biennium budget, UNRWA is also considering the feasibility of enhancing its assistance towards the cost of specialized hospital care, emergency life-saving and cancer treatments as refugees are becoming increasingly unable to meet the high rates of cost-sharing.

206. *Cooperation with the Government of Lebanon*. UNRWA participated in a national immunization campaign for the eradication of poliomyelitis in Lebanon using vaccines donated by UNICEF. The Agency and the national tuberculosis control programme also maintained close cooperation on all aspects of the programme. The National Thalassaemia Association continued to provide support towards the treatment of refugee children suffering from this particular congenital disease.

207. *Environmental health infrastructure*. The period of the financial agreement between UNRWA and the donor for the construction of sewerage and water networks in five refugee camps at a cost of €8.75 million was extended until 30 June 2004. The tenders for construction works and technical supervision were awarded in April 2003. The project aims at improving camp infrastructure in two camps in Tyre area and one camp each in Saida, Beqaa and the north areas.

C. Relief and social services

208. *Refugee registration*. As at 30 June 2003, the number of Palestine refugees registered with UNRWA in Lebanon was 391,679, with an increase of 1.2 per cent over the 30 June 2002 figure of 387,043. The amalgamation of ex-codes within family files was 83.36 per cent completed.

209. *Special hardship programme*. Demand for food aid and cash for food assistance continued to rise as legal restrictions on employment of Palestine refugees in Lebanon remained in force and prevailing socio-economic conditions

limited income-earning opportunities for refugees. At 30 June 2003, 43,847 persons were enrolled in the special hardship assistance programme (SHAP). Delays in delivery of food commodities and stock ruptures necessitated modifications in the ration composition and distribution schedules. The Field Relief Services Officer initiated an electronic reporting system in area offices to produce reports on SHAP and registration databases for planning and monitoring purposes. A total of 15 destitute aged refugees were placed in special institutions where they received necessary care and were provided with food and lodging.

210. *Selective cash assistance*. Cash in the amount of $89,374 was distributed to families consisting of 4,781 persons, for emergency needs, at an average of $88 per family. Of this amount, $7,500 was distributed to 15 families in Tyre and Saida, and $14,816 to 56 families in Beqaa in response to needs arising from severe weather conditions. The extreme indigence of the Palestinian refugees in Lebanon and the lack of finances to meet their needs continued to be a source of great concern to the Agency.

211. *Shelter rehabilitation*. Selection and prioritization of shelters in need of repair and reconstruction were carried out. Of the 578 shelters on the priority lists, 127 were identified for rehabilitation, out of which 50 were rehabilitated during the reporting period, at a cost of $427,000. A total of 24 families opted to rehabilitate their shelters on a self-help basis. Work on 103 shelters is expected to be executed by Palestinian contractors under seven contracts issued by UNRWA during the reporting period, providing jobs to some 600 labourers inside camps. Special permission was required to bring building materials into Ein el Hilweh camp causing several months' delay in commencement of works. A project proposal was raised to interested donors to rehabilitate 10 shelters in hazardous condition in Tyre camps following indications that the Lebanese authorities might lift a ban on entry of building materials for housing into Tyre camps.

212. *Social services*. Training was carried out on, inter alia, early childhood education, integration of physically and mentally disabled individuals, and training of trainers on gender and development. To insure optimum benefit and outreach, the process of bridging relief and social services and linking with UNRWA's health and education services, Community-Based Organizations, and NGOs was initiated during the reporting period, through workshops and meetings of the relief and social services staff. The Memorandum of Understanding regulating the relationship between UNRWA and Community-Based Organizations (CBOs) and the use of UNRWA premises, and affirming United Nations standards of neutrality and impartiality, was renewed with all CBO local administrative committees in January 2003.

213. *Poverty alleviation*. UNRWA's credit programme for microenterprise development remained the lead lending facility to Palestine refugees in Lebanon as it completed its tenth year in operation in September 2002. With a starting capital of $86,286, the programme has almost quadrupled its capital over one decade and carries a portfolio of 872 loans in the amount of $3,054,725. The programme's success was a result of sound management practice, regular appraisal of performance against best credit practices and periodic adjustments and refinements of credit products to meet stakeholder and market demands. During the reporting period, $34,900 was issued in soft loans to 12 borrowers enrolled in SHAP. As a result of the credit scheme, 10 families were removed from UNRWA's ration rolls

when income from their microenterprises rose above the threshold of special hardship. Some 126 entrepreneurs received loans ranging between $500-$5,000 for a total amount of $365,900. Income from interest earned on loan repayments, interest on bank deposits and penalties charged on late repayments was $88,836, part of which was used to cover running costs and the balance redeployed to the revolving fund and issued as new loans. Repayment rates on loans averaged 94 per cent.

214. *Women in development.* Efforts continued towards strengthening organizational sustainability of the CBOs by applying the Management Standards, providing financial and technical support, encouraging volunteer work, enhancing linkages and partnerships with local and international NGOs, and by exposure to donor agencies. Moreover, extensive efforts were exerted in training the CBO Local Administrative Committees to develop curricula of skill training courses and management of vocational training and to improve fund-raising skills and techniques. With a membership of 852 volunteers subscribing to the General Bodies, of whom 62 were elected to serve on the Local Administrative Committees and 180 were enrolled in subcommittees, the centres were a focal point supporting women and community issues and interests through a variety of activities. A total of 2,859 women participated in skills training courses; 3,811 participated in awareness-raising sessions and campaigns on health, education, social, legal and gender issues; tutoring classes were offered to 914 students; 5,263 persons participated in recreational and cultural activities and 66 group guaranteed loans were issued to 330 borrowers in the amount of $165,000.

215. *Community-based rehabilitation.* Community-based rehabilitation activities were strengthened through a network of partners in the Palestinian disability forum. Through an ongoing exchange of technical and financial support, many joint activities took place including training, awareness raising, referrals, provision of prosthetic devices, shelter adaptation and mainstreaming of visually impaired and physically disabled children into UNRWA regular schools. Support was extended to two Community Rehabilitation Centres (CRCs) in Nahr el Bared camp, which were managed by a local Administrative Committee. Some 66 children with mental, hearing and speech impairments were enrolled in the centres. A project proposal was raised to seek funding for the construction of a new facility to replace the old dilapidated building. During the reporting period, 54 physically and mentally disabled individuals were provided with prosthetic devices, 55 children were sponsored in specialized private institutions and $6,925 was disbursed to three local NGOs to improve their service provision. One elevator was funded by a special donation to facilitate movement of children on wheelchairs in a multi-storey school in Saida.

216. *Children and youth programme.* About 195 children including 20 physically and mentally disabled children attended the 16th annual summer camp sponsored by UNRWA and six NGOs. In partnership with UNESCO and a local NGO, summer activities were organized in Agency schools in camps at South and North Lebanon for 1,005 children. Other cultural and educational activities were organized at the Community Development Centre (CDC) in Nahr el Bared camp for 1,811 children.

Chapter VII
Syrian Arab Republic

A. Education

217. *Elementary and preparatory schooling*. In the 2002/03 academic year, the 113 administrative schools in the Syrian Arab Republic accommodated 64,258 pupils in the six-year elementary and three-year preparatory cycles. Enrolment in UNRWA schools in 2002/03 decreased marginally by 0.23 per cent compared to the preceding year. Approximately 94.7 per cent of the schools were working on a double-shift basis and 9.7 per cent were housed in unsatisfactory rented school buildings. The high pass rate of 96.44 per cent in the annual government examination for the third-year preparatory pupils, compared to 66.93 per cent in government school examinations conducted in mid-2002, was in part due to the Agency's monitoring and control system. The system was based on continuous evaluation together with the development of remedial work.

218. *Education infrastructure*. The 113 administrative schools accommodated 64,258 students in 62 school buildings. Around 94.7 per cent of them operated on a double-shift basis. One school is under construction.

219. *Vocational and technical training*. The Damascus training centre accommodated 866 trainees, of whom 192 were women. Trainees were enrolled in 13 trade courses and nine technical/semi-professional courses.

220. *University scholarships*. In 2002/03, 24 scholars, nine of whom were women, continued their studies from previous years.

B. Health

221. *Primary care*. Health care was provided for Palestine refugees in the Syrian Arab Republic through the Agency's network of 23 health centres, all of which provided comprehensive medical care, including mother and child health-care and family planning services, and specialist care for diabetes mellitus and hypertension. Of these facilities, 19 housed laboratories and 12 offered dental services, supported by school oral health services through a mobile dental unit.

222. *Secondary care*. Hospital services were provided through contractual agreements with eight private hospitals based on minimal government rates. Additional budget provisions to meet the minimum needs for maintaining the service were allocated, effective 2002, and further increases are envisaged during the biennium 2004-2005.

223. *Cooperation with the Government of the Syrian Arab Republic*. Long-standing cooperation and coordination between UNRWA and the Syrian Ministry of Health continued, especially in the areas of disease surveillance and control. The Ministry met the Agency's vaccine requirements until April 2003, after which these in-kind contributions were discontinued due to the financial difficulties of the Ministry of Health. Cooperation was maintained with the national tuberculosis programme. Refugee children suffering from thalassaemia continued to be treated through the national thalassaemia control programme. A memorandum of understanding was signed between UNRWA, UNICEF and the General Administration for Palestine

Refugees to implement a project for laboratory screening, public awareness and counselling in refugee camps known to have high prevalence of hereditary anaemia, such as thalassaemia and sickle cell disease.

224. *Environmental health infrastructure*. Efforts continued to be exerted to prepare detailed technical designs and raise funds for the construction of water and sewerage systems at Ein El-Tal as an integral part of the Nairab camp shelter rehabilitation project. A partnership and financing agreement was signed between UNRWA, the donor and the Government of the Syrian Arab Republic for the development of rural areas including refugee camps. The project aims, inter alia, at improving water systems in Khan Eshieh and Khan Dannoun camps and construction of a sewerage system in Khan Eshieh camp.

C. Relief and social services

225. *Refugee registration*. At 30 June 2003, the number of Palestine refugees registered with UNRWA in the Syrian Arab Republic stood at 409,662, an increase of 2.11 per cent over the 30 June 2002 figure of 401,185. Some 30 applications for new registration were processed of which 24 cases were approved for registration during the year under review. A study was initiated to assess eligibility for registration of members of the Baqara and Ghaname tribes. In cooperation and coordination with the education and health departments, the eligibility and registration staff updated the records of 7,288 families. New residential codes were established to provide better statistical reporting and programme planning, and the records of 1,000 deceased refugees were updated in coordination with the host authorities.

226. *Special hardship programme*. The number of special hardship cases (SHCs) increased by 4.1 per cent, from 29,643 persons in June 2002 to 30,858 in June 2003. Ten new social worker posts were established and filled in order to reduce the high-caseload of social workers from 350/400 to 250 cases and meet Agency norms.

227. *Selective cash assistance*. During the reporting period, 514 families were assisted with a total of $66,506. Cash grants helped families meet exceptional socio-economic difficulties, especially when lacking basic necessities, and were used for various purposes including the purchase of basic household items, schooling for children, clothing, accommodation, and kitchen utensils. By the end of the reporting period, UNRWA was considering how to assist 146 refugee families whose shelters had been demolished in Jaramana camp, on the outskirts of Damascus, to make way for a highway expansion project. The Syrian Government has confirmed that these families are entitled to alternative housing, which, however, may take some time to materialize, resulting in considerable inconvenience and, in a number of cases, hardship for affected families.

228. *Shelter rehabilitation*. During the reporting period, 302 families benefited from shelter rehabilitation through special funding. All shelters were rehabilitated on a self-help basis, out of which 114 families benefited from minor repairs to roofs of their shelters at Neirab barracks. Another 100 families were assisted with major repairs to their shelters, while the remaining 87 families were assisted with reconstruction. One family was exceptionally assisted through the purchase of an apartment because reconstruction of the existing shelter would have been logistically difficult and would not have been cost-effective. In order to enhance and

strengthen community awareness on the concept of self-help, a one-day training session was held for beneficiaries in each camp prior to the implementation of the project. At the end of the reporting period, a two-day workshop was organized to evaluate the self-help approach and discuss lessons learned. Workshop participants included two families who benefited from the shelter rehabilitation, representatives from the local community committees and relevant relief services and engineering and construction staff. Local shelter survey teams were established to prioritize shelter needs in camps. Some 1,200 shelters (excluding Neirab camp) were still on the waiting list in-need of urgent intervention. Due to squalid housing and high population density in the Neirab camp near Aleppo, UNRWA has embarked on an integrated rehabilitation/development project for 17,013 refugees, also involving the near-by Ein El-Tal camp. After more than two years of preparatory work, implementation started in September 2002, with the construction of the first 28 new housing units with related infrastructure in Ein El-Tal. A detailed demographic and socio-economic survey of Ein El-Tal was conducted and fund-raising efforts were intensified.

229. *Social services*. In July 2002, a set of Social Services Instructions was issued defining the status and regulating the management of CBOs.

230. *Poverty alleviation*. At the end of the reporting period, the number of active individual loans stood at 47, with a total outstanding amount of $22,809. The number of loans under the Group Guaranteed Lending scheme (GGL) stood at 626, with a total outstanding amount of $102,567. During the reporting period, continuous efforts took place to collect the outstanding loans by individual restructuring and rescheduling of the defaulted portfolio. The process of salary deduction from the guarantors of the defaulter has been initiated, which positively affected the collection efforts. During the reporting period, 216 GGL loans and 21 individual loans were fully repaid.

231. *Women in development*. A series of skills-training courses on sewing, computer, fitness, English language, first aid, video and camera operation, hairdressing and ceramics were conducted in all 15 WPCs. Some 1,600 trainees graduated from these courses. In addition, various awareness-raising workshops were organized on subjects including women's rights, marriage, child education, counselling, time management, gender, AIDS, health, legal issues and literacy reinforcement for high school students; 7,377 individuals participated in those workshops. Some 4,800 other individuals participated in environmental, social, cultural and recreational activities. In coordination with UNICEF, eight seminars were conducted on psychological health and education at seven WPCs. A total of 750 parents, kindergarten supervisors and social workers attended those seminars. Moreover, an awareness seminar on the rights of the physically/mentally challenged children was conducted at Yarmouk WPC in coordination with Beisan Association for Social Development. During the school year 2002/03, 1,700 children were enrolled in the WPCs' 13 kindergartens and six nurseries.

232. *Community-based rehabilitation*. The five CRCs continued to provide basic rehabilitation, outreach, and referral services to the physically and mentally disabled. During the reporting period, a total of 2,740 benefited from these activities. A total of 186 orphans and physically/mentally challenged children participated in the two regular summer camps. Various recreational and cultural activities were held such as chess competitions, sports, handicrafts, magical shows,

songs, and dance. In coordination with the WPCs, the Dera'a CRC participated in a month-long national festival where embroidery, handicrafts and other items produced by the Women Programme Centres were displayed for sale to the public. Eleven training courses for physiotherapists and rehabilitation workers were conducted in partnership with a regional foundation. The courses focused on the rehabilitation of children with cerebral palsy. A series of training courses on disability for Community Development Social Workers and volunteers from Lattakia and Aleppo were also conducted.

Chapter VIII
West Bank

A. Education

233. *Elementary and preparatory schooling*. UNRWA operated 95 schools in the West Bank, 34 for boys, 44 for girls and 17 co-educational. The schools accommodated 60,003 pupils, 43.9 per cent of whom were boys and 56.1 per cent girls. Enrolment in 2002/03 increased by 2.55 per cent compared with the academic year 2001/02.

234. *Education infrastructure*. UNRWA continued to experience difficulties in obtaining sites for school construction, particularly in Jerusalem. The classroom occupancy rate was relatively low (38.61 pupils) as a result of the relatively high proportion of schools accommodated in unsatisfactory rented premises (26.36 per cent) or located outside camps or in remote areas. Schools in the camps remained overcrowded. One school, 35 classrooms and 13 specialized rooms were constructed. Five schools, 45 classrooms and 21 specialized rooms were under construction.

235. *Vocational and technical training*. The three UNRWA vocational and technical training centres in the West Bank accommodated 1,192 trainees during the 2002/03 academic year, of whom 560 were women. The three centres offered 15 trade courses and 20 technical/semi-professional courses. For the first time since 1983, the comprehensive exam held by the Ministry of Higher Education was not conducted due to the restrictions on freedom of movement imposed by the Israeli authorities. In cooperation with the Palestinian Authority, short-term courses lasting from six to 26 weeks in diverse disciplines, were offered at the three centres for 219 trainees.

236. *Educational science faculties*. The two educational science faculties at the Ramallah men's training centre and the Ramallah women's training centre accommodated 596 students, of whom 391 were women, in a four-year pre-service teacher-training programme offered at the post-secondary level. A total of 123 students, including 88 women, graduated from the two faculties in July 2002.

237. *University scholarships*. In 2002/03, nine scholarships, six of which were held by women, continued from previous years.

238. *Operational constraints*. The UNRWA education programme was affected by the continuing conditions of strife in the occupied Palestinian territory, in particular the pervasive movement restrictions imposed by Israeli authorities, including curfews and closures. As a result, UNRWA schools in the West Bank lost approximately 1,372 school days between September 2002 and March 2003. From September 2002 to March 2003, approximately 31,874 teacher school days, i.e., the number of days teachers could not teach due to closure or curfew, were lost. In addition, four UNRWA pupils between the ages of nine to 14 were killed during the 2002/03 academic year, four were injured, and two were detained. Some eight teachers were detained, seven of whom have not been released yet. Damages to the school infrastructure constitute additional financial constraints on UNRWA, particularly in cases where schools have been repaired more than once. Some

$342,519 has been spent so far on the rehabilitation of 25 damaged schools in 36 incidents.

B. Health

239. *Primary care*. Comprehensive primary health care was delivered to Palestine refugees in the West Bank through the Agency's network of 34 primary health-care facilities, all of which offered family planning services and special care for the management of diabetes mellitus and hypertension, in addition to the full range of preventive and curative medical care services. Of those facilities, 25 housed laboratories and 20 provided dental care, supported by a mobile dental unit for community oral health services. Six centres provided radiological services and six provided physiotherapy services. Construction of a new health centre to replace the unsatisfactory premises in Kalandia camp and upgrading of Hebron health centre were under way. Additional medical and paramedical staff were recruited in the context of the Agency's emergency employment creation programme and three mobile teams were established. The Agency also procured additional medical supplies and continued with the programme of psychological counselling and support as part of its emergency humanitarian assistance to address emerging health needs due to the conditions of strife in the West Bank.

240. *Cooperation at the national level*. The Agency was represented in all national health committees established by the Palestinian Authority's Ministry of Health, including the expanded programme on immunization, primary health care, reproductive health, brucellosis surveillance and control, tuberculosis control and health education. UNRWA also maintained close cooperation with local universities and international and local NGOs on various aspects relevant to the development of the health-care system and of human resources. The Palestinian Authority's Ministry of Health met UNRWA requirements for all vaccines used in the expanded programme on immunization as in-kind donations.

241. *Secondary care*. In-patient care was provided through the Agency's hospital in Qalqilia and contractual arrangements with the Augusta Victoria Hospital in Jerusalem, St. John's Ophthalmic Hospital, and seven other NGO hospitals in the West Bank. Partial reimbursement was also provided for expenses incurred by refugee patients at Maqassed Hospital, Jerusalem, for specialized care not readily available at the contracted hospitals, such as cardiac surgery. The Agency also reimbursed insurance premiums to cover cancer treatment for refugees holding West Bank identity cards. The level of co-payment for the cost of treatment stood at 25 per cent at contracted hospitals and 30 per cent through the reimbursement scheme. A 20-bed paediatric ward with radiology and physical rehabilitation units at the Qalqilia hospital was constructed and equipped during the reporting period. A nursing dormitory at this hospital was also constructed and the casualty and emergency wards and catering section of the hospital were upgraded. The new facilities became operational effective June 2003, which increased the capacity of the hospital from 43 to 63 beds. Owing to problems of mobility and access, three additional hospitals were contracted in Nablus, Jenin and Ramallah. The additional costs of hospitalization were met through the emergency humanitarian assistance programme.

242. *Operational constraints*. The UNRWA health programme continued to face serious difficulties in the West Bank field as a result of movement restrictions imposed by Israeli authorities. Limits were placed on the number of travel permits issued to staff and patient access to hospitals in Jerusalem was restricted. Border closures, prolonged curfews and restrictions on travel between the West Bank and the Gaza Strip made coordination and information exchange difficult and adversely affected movements of personnel, supplies and vehicles between Jerusalem, the rest of the West Bank and the Gaza Strip. The lines of communication, flow of information and technical supervision were severely affected and plans for staff training and development could not be adequately implemented, which could have long-term adverse consequences on the quality and sustainability of health care. High unemployment rates and consequent acute impoverishment resulted in serious deterioration of the health status and increased the demand on UNRWA medical care services at a time when the health-care system was unable to function at optimal capacity. Medical consultations at UNRWA general clinics increased during 2002 by 61 per cent in the Gaza Strip and 35.7 per cent in the West Bank relative to 2000, and the consumption of medical supplies increased by 35 per cent in the Gaza Strip and 25 per cent in the West Bank during 2002. To cope with these increased needs, five emergency teams provided health care to remote localities, provisions were made to cover additional hospitalization costs and procurement of medical supplies. The project for providing psychological counselling and support was maintained as a multidisciplinary activity involving health workers, teachers, social workers and school counsellors.

243. *Disease outbreak*. An outbreak of diarrhoeal disease occurred during July 2002 in Balata camp, Nablus area due to cross-contamination between water and sewerage networks. A total of 667 cases were reported before the outbreak could be contained. Over 75 per cent of the cases were among children aged 16 years and below.

244. *Environmental health*. The frequent closures, curfews, military incursions into camps and uprooting of trees brought about additional health hazards to refugees in camps. Sanitation services were disrupted in some instances because garbage trucks could not reach camps and the Agency was still unable to rehabilitate water and sewerage systems in camps that have sustained serious damage during military incursions. WHO/EMRO provided the services of a sanitary engineer to provide technical advice on rehabilitation of water and sewerage networks in Jenin camp, in the context of the camp reconstruction project. Mobilized in November 2002, the consultant worked closely with international consultants and local engineers to complete an assessment of needs and priorities, and for the preparation of technical design drawings for rehabilitation of water, sewerage, water run-off networks and reconstruction of roads.

C. Relief and social services

245. *Refugee registration*. As of 30 June 2003, 654,971 Palestine refugees were registered with UNRWA in the West Bank, an increase of 4.54 per cent over the 626,532 refugees recorded at 30 June 2002. A large number of refugees approached the Eligibility and Registration office to update their registration records so as to benefit from UNRWA services as a result of conditions of strife in the occupied Palestinian territory. The division also continued the amalgamation of the ex-code

process, which integrates the records of the original 1948 refugee families with all other documents related to their descendents. Some 67 per cent of the total number of files were amalgamated by the end of the reporting period.

246. *Special hardship programme*. Enrolment in the special hardship programme as of 30 June 2003 was 36,597 persons, representing 5.59 per cent of the registered refugee population in the West Bank. In addition to providing basic family needs for food and shelter, the programme aimed also at addressing problems that frequently underlie and compound poverty. Programme interventions enabled some 104 school dropouts from poor families to return to school, 23 drug addicts to receive treatment, 34 poor refugee women to join literacy classes, and 757 poor women, through referrals by social workers, to obtain guidance on family planning at UNRWA health centres.

247. *Selective cash assistance*. A total of 543 families were assisted with $86,249 in cash assistance to help them overcome crisis situations. Assistance was provided towards the purchase of basic household items, schooling for children, clothing, accommodation, utilities, and other emergency items.

248. *Shelter rehabilitation*. Some 25 families were assisted in improving the condition of their shelters with donor funds. Rehabilitation assistance was provided through a self-help approach and rehabilitation work was completed during the reporting period.

249. *Poverty alleviation*. The programme continued to focus on the causes rather than symptoms of poverty through its skills-training programme. During the reporting period, 140 members of impoverished families were enrolled in skills-development courses in welding, computer, nursing, secretarial, carpentry, video recording, photography, montage and car repair. Furthermore, in coordination with community-based organizations and in association with relevant Palestinian Authority departments and local NGOs, 41 workshops addressing poverty were organized in several camps. The networking approach to organizing these events resulted in increased participation of the target clientele, with 2,300 persons benefiting from these activities. As part of its networking efforts, the programme continued to provide business advice and consultations on developing feasibility studies for income-generation projects to 50 grass-roots organizations and groups in the camps. It also assisted some 125 poor families to develop business ideas and feasibility studies for subsequent funding, and developed and distributed over 42 different publications addressing issues of poverty and social welfare.

250. *Women in development*. During the reporting period, the programme continued to emphasize empowerment of women at 15 WPCs. Kindergartens and nurseries were among the regular programmes and services essential to working mothers and centres' volunteers, where approximately 251 working women and volunteers and 697 children benefited from these services on a regular basis. A total of 2,471 women benefited from the Centres' basic and advanced skills-training programmes, which provided 208 trained volunteers with new work opportunities and generated income for the WPCs. WPCs also organized a wide range of awareness-raising initiatives in social development issues. These included women's rights, civic education and democracy, first aid, crisis intervention, social effects of early marriage, pregnancy, breastfeeding, domestic violence, violence against women and children, family planning, democracy, and childcare. In addition, a variety of social, cultural, and recreational activities were organized for women and children.

Approximately 20,337 women and 10,598 children and youth participated in those activities. WPCs actively continued to develop their networking and coordination with local and international partner organizations where funding was received for various project activities and construction of facilities.

251. *Community-based rehabilitation*. During the reporting period, 14 CRCs provided rehabilitation services to 7,853 persons, including awareness-raising, outreach activities, special education, mainstreaming into regular schools, training of family members (mothers in particular) and community workers, referrals, home modifications, speech therapy, physiotherapy and provision of prosthetic devices. Dheisheh, Far'a, Balata and Fawwar CRCs received assistance from an NGO to upgrade their centres. Seven of the CRCs continued to utilize their toy libraries to enhance the integration of physically and mentally disabled children through educational and recreational activities. The newly established cerebral palsy unit in Jenin camp served 127 children and their families through the daily rehabilitation and treatment training. Further, the programme provided a total of 147 physically and mentally disabled persons with technical and financial support to buy prosthetic devices and modify their shelters/houses. A total of 38 CRC rehabilitation workers participated in a number of training courses organized by NGOs. The social services programme also conducted capacity-building training for 14 members of the CRC local administrative committees in the Jerusalem area. In coordination with the General Union of Disabled Persons, six workshops and 10 lectures were organized at the CRCs addressing "The Rights of Disabled Persons", which were attended by 80 physically and mentally challenged persons and 255 mothers. The Disability Programme Officer attended a specialized training course on "Management and Planning of Community Based Rehabilitation Programmes". During the reporting period, the programme carried out a five-month survey of Intifada-related disabilities. Out of the selected representative sample, 48.4 per cent were refugees, the majority of whom suffered from a combination of physical and mental disabilities.

252. *Children and youth activities*. Activities targeting children and youth in the West Bank continued to be organized by the CBOs and other local NGOs. These activities included arts and crafts, music, drama and puppet shows, community services, clean-up campaigns, repair of camp roads and other infrastructure projects as well as sports, recreational and educational events. An estimated 7,600 children and youth participated in these activities.

Chapter IX
Gaza Strip

A. Education

253. *Elementary and preparatory schooling*. In the 2002/03 academic year, UNRWA schools in the Gaza Strip accommodated 189,317 pupils in 174 schools in the six-year elementary and three-year preparatory cycles. The increase of 4,366 pupils (2.4 per cent) over the preceding academic year resulted from natural growth in the refugee population. At nearly 47.11 pupils per classroom, the classroom occupancy rate in the Gaza field was the highest Agency-wide.

254. *Education infrastructure*. With project funding, UNRWA completed the construction of four specialized rooms, six schools and 44 classrooms. As of mid-2002, four school buildings, 49 classrooms were under construction during the reporting period.

255. *Vocational and technical training*. The Gaza training centre accommodated 835 trainees, including 143 women, in 14 trade courses and eight technical/semi-professional courses.

256. *University scholarships*. In 2002/03, four scholarships, three of which were held by women, continued from previous years for students attending Middle Eastern universities.

257. *Operational constraints*. Owing to the ongoing conditions of strife in the West Bank and the Gaza Strip, the functioning of the Agency's education programme in the Gaza Strip was subject to various constraints, resulting mainly from movement restrictions imposed by the Israeli authorities. Such restrictions led to approximately 399 teachers, 12 school supervisors and seven head teachers and eight assistant head teachers not reaching their workplaces at various times during the reporting period. The 189,317 pupils enrolled in the 174 UNRWA schools lost approximately 20,480 teaching days at a cost of $409,600 during the reporting period. At the Gaza training centre, 616 training days were lost, at the cost of $13,552 to the Agency. In addition, 33 UNRWA pupils, two teachers, one school attendant and one counsellor on a donor-funded project were killed during the period under review. Two teachers and 81 students between six and 15 years old were injured, two of whom were shot inside their classroom. A total of 89 pupils have been killed and 1,061 injured since October 2000. Shelling of schools and gunfire by Israeli forces caused extensive damage to UNRWA premises, resulting in heavy financial costs to UNRWA. During the reporting period, 10 staff members working in administrative capacities within the Education Department in the Gaza field office were unable to report to work as a result of closures imposed by Israeli authorities at Abu Houli checkpoint and Netzerim junction, thereby affecting the smooth running of work at the Education Programme. The in-service training courses held at the Gaza field office were also interrupted. Remedial plans for low achievers and after-school activities were disrupted due to Israeli-imposed movement restrictions which prevented access to their schools.

B. Health

258. *Primary care*. UNRWA remained one of the main providers of primary health-care services for the population of the Gaza Strip, of whom over 70 per cent are Palestine refugees. Services were delivered through a network of 17 primary health-care facilities, all of which offered a full range of medical services, including maternal and child health and family planning services. Special care for the management of diabetes mellitus and hypertension and laboratory services were provided at 14 centres, 11 provided dental services supported by three mobile dental units for community oral health, six facilities housed physiotherapy clinics and five facilities were equipped with radiological units. Approximately 15 per cent of the total registered deliveries in the Gaza Strip took place at six maternity units integrated within camp health centres. Specialist services in cardiology, chest diseases, gynaecology and obstetrics, ophthalmology and paediatrics were provided according to a weekly rotating schedule. The unique arrangement of a double-shift clinic at the health centres in the five largest camps was maintained since it proved to be the most cost-effective means to bridge the gap between the increasing needs of a rapidly growing population and limited Agency resources. Furthermore, additional health personnel were recruited, as part of the emergency employment creation programme, in order to meet the new demands on UNRWA services as a result of the large-scale impoverishment and movement restrictions imposed by the Israeli authorities. The construction of two physiotherapy clinics was completed. The programme for psychological counselling and support was maintained in close coordination with the Agency's education and social services programmes.

259. *Secondary care*. Hospital services were provided through a contractual agreement with an NGO hospital, Al-Ahli in Gaza City, where 50 beds were reserved for refugee patients, as well as through partial reimbursement of medical expenses incurred by refugees for treatment at Palestinian Authority hospitals. Owing to problems of mobility and access between the various geographical areas within the Strip, the services of the Agency's contracted hospital were underutilized as refugees opted for Ministry of Health hospitals with easier access.

260. *Environmental health infrastructure*. In the Gaza Strip, marked progress was achieved under the special environmental health programme. Invitations to tender were sent out for the construction of sewerage and drainage systems in Deir El-Balah camp, as well as for the construction of a new water well in Jabalia camp. Tenders were awarded for the construction of phase II of the Middle Area gravity main interceptor and electricity system for the re-housing project in Deir El-Balah camp, as well as for construction of infrastructure and electricity system for the re-housing project in Khan Younis. Pavement of roads and pathways in Jabalia (six phases project), Rafah (two phases) and Beach (two phases) camps, replacement of corroded pipes in Beach camp, construction of infrastructure for the re-housing project in Deir El-Balah camp and construction of Beach camp shore protection, phase I were in progress. Construction of roads and pathways in Jabalia camp (phase I and II), sewerage and drainage systems at Deir El-Balah (phase II, stage I), replacement and adjustment of water lines at Jabalia camp, pavement of roads and alleys at Maghazi camp, Rafah camp (phase I), Beach camp (phase I), Bureij camp, Nuseirat camp (phase I and II), and infrastructure and an electricity system for the re-housing project in Tal El-Sultan in the Rafah area were completed. Total investment in the environmental health sector in the Gaza field since the

establishment of the Special Environmental Health Programme in 1993 amounted to $39.49 million and projects planned for implementation, subject to availability of funds, are estimated at $14.94 million. All these improvements, which have been completed or are under way, are at risk of sustaining serious damage as a result of the repeated Israeli military incursions into camps.

261. *Cooperation at the national level*. The Agency was represented in all national health committees of the Palestinian Authority's Ministry of Health and jointly pursued a programme for control of non-communicable diseases. The Ministry of Health continued to provide UNRWA with the required vaccines for the expanded programme on immunization as an in kind contribution. Following the isolation of wild poliovirus from the sewerage system in the Rafah district of the Gaza Strip, a mop-up operation was conducted in October-November 2002 where 28,998 children were given the oral poliomyelitis vaccine.

C. Relief and social services

262. *Refugee registration*. The number of Palestine refugees registered with UNRWA in the Gaza Strip increased from 878,977 as at 30 June 2002, to 907,221 as at 30 June 2003. This is an increase of 3.2 per cent over the previous year, representing 22.2 per cent of all refugees registered with UNRWA. The eligibility and registration office checked the refugee status of 18,294 persons who applied for UNRWA services and responded to requests from various organizations to verify the refugee status of those applying for asylum or services other than UNRWA's.

263. *Special hardship programme*. During the reporting period, the number of special hardship cases in the Gaza Strip decreased by 2,345 persons. At the end of June 2003, the total number of special hardship cases was 77,585, representing approximately 8.9 per cent of the refugee population. Six social workers were recruited to assist with the workload, made heavier because of large-scale emergency operations. The severe Israeli restrictions on movement within the Gaza Strip, affecting almost all UNRWA staff, prevented social workers from visiting 800 special hardship families. Ninety-five SHC trainees had preferential access to Agency training centres and 430 SHC families were provided with prosthetic devices and hospitalization support through the Agency's health programme.

264. *Shelter rehabilitation*. To promote family and community contributions to shelter rehabilitation and create work for small camp-based construction contractors, relief staff identified 264 special hardship families who expressed their preparedness to assume responsibility for rehabilitating their shelters using the self-help approach. The shelters will be rehabilitated as soon as extrabudgetary funds are made available.

265. *Selective cash assistance*. During the reporting period, this subprogramme responded to the exceptional socio-economic difficulties of 1,062 special hardship families with an amount of $233,433. In addition, 67 non-SHC refugee families facing emergency situations were assisted with an amount of $17,300. The assisted families represented 6 per cent of the total registered SHC families in Gaza.

266. *Operational constraints*. Since the beginning of the conditions of strife in the occupied Palestinian territory in September 2000, the freedom of movement of persons, goods and services in the Gaza Strip has been severely restricted by the

Israeli authorities. During the reporting period, the IDF intermittently bisected or trisected the Gaza Strip by placing roadblocks and checkpoints on the main traffic arteries connecting the north, middle and south. As a result, it was difficult, and in many cases impossible, for local relief and social services staff to reach their places of work. Shooting occurred in close proximity to UNRWA vehicles carrying staff members and consequently endangering their lives. The lack of mobility of UNRWA staff hampered the provision of services to the Palestine refugee population. Social workers could not visit their clients in conflict locations, CBO staff were unable to administer programmes and field staff could not reach their offices in Gaza City to administer the regular and emergency programmes. UNRWA humanitarian assistance to regular special hardship cases was also disrupted. Difficulties were faced in distribution of food commodities and cash subsidies, and due to stock ruptures, cooking oil was not distributed in the last distribution cycle of 2002; reduced quantities of sardines (5 tins instead of 9) and broad beans (1 kg instead of 1.5 kgs) were issued in the first and second distribution cycles of 2003.

267. *Women in development*. The social services programme continued to play a vital role in assisting members of Local Administrative Committees of the WPCs to establish and maintain productive and close relationships with potential donors to fund needed projects and implement joint activities. Successful partnerships were established with UNICEF, UNDP and an international NGO. Two income-generation projects in the amount of $20,000 were funded by RSSP to equip a nursery, kindergarten and photo unit for some WPCs. In response to challenges posed by the escalating conditions of strife in the Gaza Strip, and in cooperation with local and international NGOs, WPCs organized special lectures and workshops on subjects such as first aid, mother-oriented guidance and counselling to assist traumatized children, in addition to social, health and environment awareness. Informal education and recreational activities for children were also implemented including supplementary education classes for underachieving students, through staff appointed by the Job Creation Programme and volunteer university students. Summer camps were organized for 2,500 children. A total of 5,916 persons participated in the various activities and programmes offered by the centres.

268. *Community-based rehabilitation*. The UNRWA disability programme facilitated the work of seven CRCs by providing financial and technical assistance as well as promoting institution-building. The CRCs continued to provide basic rehabilitation services including referrals; and outreach services to the physically and mentally disabled. During the reporting period, a total of 8,544 persons benefited from these activities. A total of 5,209 clients benefited from the audiological services for the community, schools, library, computers, toys, the child-to-child programme, sponsorships, family support and counselling. UNRWA cooperated with the Palestinian Authority in assisting the physically and mentally disabled in obtaining prosthetic devices, hearing aids and wheelchairs. In addition, contractual arrangements were made with various NGOs to provide specialized rehabilitation services to 341 persons. All CRCs organized integrated summer camps for a total of 1,259 disabled children. Some 164 persons attended lectures and workshops offered at the CRCs, which covered several topics, such as documentation, filing, music, speech therapy, planning, curriculum design, methods of teaching the deaf, and community-based rehabilitation and integration. During the reporting period, several local and international NGOs funded 15 different projects to support CRCs in their daily activities; these projects constituted rehabilitation of

premises, establishment of educational centres, detection surveys for hearing impairment, and training.

269. *Al-Nour Rehabilitation Centre for the Visually Impaired (RCVI).* Ongoing educational, rehabilitation and recreational activities for some 445 blind and visually impaired children and adults continued at RCVI, during the reporting period. The centre offered Braille courses, vocational training, income-generating activities, and provided the visually impaired with teaching and visual aids to help children integrate into the regular school system, and to facilitate the employment of the visually impaired adults in the workforce. The progress that RCVI has achieved over the past years has earned the centre international recognition for its work as well as the respect of the local community. Last summer, RCVI resumed its operations after it completed all required repairs resulting from the extensive damage sustained in 5 March 2002 when a nearby building was bombarded. However 28 per cent of the visually impaired children from the south were still unable to attend RCVI due to the unpredictable road blockages and delays on checkpoints to and from Gaza City. As a result staff and children were moved temporarily to alternative UNRWA premises in Khan Yunis. The Society of Friends/RCVI received a grant of $137,720 to establish a technology computer centre for the visually impaired students at RCVI, which included a one-month summer technology training camp.

Annex I

Statistical and financial information tables

Contents

Page

Tables

1. Number of registered persons ... 86
2. Distribution of registered population ... 87
3. Number and distribution of special hardship cases ... 87
4. Basic education services ... 88
5. Vocational, technical and teacher-training services ... 89
6. Medical care services ... 90
7. Selected health-status indicators for Palestine refugees ... 91
8. Social services programme ... 92
9. Actual expenditure in 2002, regular budget for 2003 and proposed budget for 2004-2005 ... 93
10. Contributions in cash and in kind by Governments and the European Community ... 94
11. Staff members arrested and detained ... 96
12. Agency staff ... 96
13. Microfinance and microenterprise programme ... 97

Table 1
Number of registered persons[a]
(As at 30 June 2003)

Field	*1950*	*1960*	*1970*	*1980*	*1990*	*2000*	*2001*	*2002*	*2003*
Jordan	506 200	613 743	506 038	716 372	929 097	1 570 192	1 639 718	1 679 623	1 718 767
Lebanon	127 600	136 561	175 958	226 554	302 049	376 472	382 973	387 043	391 679
Syrian Arab Republic	82 194	115 043	158 717	209 362	280 731	383 199	391 651	401 185	409 662
West Bank[b]	-	-	272 692	324 035	414 298	583 009	607 770	626 532	654 971
Gaza Strip	198 227	255 542	311 814	367 995	496 339	824 622	852 626	878 977	907 221
Total	**914 221[c]**	**1 120 889**	**1 425 219**	**1 844 318**	**2 422 514**	**3 737 494**	**3 874 738**	**3 973 360**	**4 082 300**

[a] Figures are based on UNRWA registration records, which are updated continually. However, the number of registered refugees present in the Agency's area of operations is almost certainly less than the population recorded.
[b] Until 1967, the West Bank of Jordan was administered as an integral part of the Jordan Field.
[c] This total excludes 45,800 persons receiving relief in Israel, who were the responsibility of UNRWA until June 1952.

Table 2
Distribution of registered population
(As at 30 June 2003)

Field	*Registered population*	*Number of camps*	*Total camp population*	*Registered person not in camps*	*Percentage of population not in camps*
Jordan	1 718 767	10	304 430	1 414 337	82.29
Lebanon	391 679	12	222 125	169 554	43.29
Syrian Arab Republic	409 662	10	119 766	289 896	70.76
West Bank	654 971	19	176 514	478 457	73.05
Gaza	907 221	8	478 854	428 367	47.22
Total	**4 082 300**	**59**	**1 301 689**	**2 780 611**	**68.11**

Table 3
Number and distribution of special hardship cases
(As at 30 June 2003)

		Number of persons			
Field	*Number of families*	*Receiving rations*	*Not receiving rations*[a]	*Total*	*Percentage of refugee population*
Jordan	11 772	41 178	2 979	44 157	2.57
Lebanon	10 653	40 146	3 701	43 847	11.19
Syrian Arab Republic	9 092	26 956	3 902	30 858	7.53
West Bank	9 921	31 118	5 479	36 597	5.59
Gaza	17 295	76 175	1 410	77 585	8.55
Total	**58 733**	**215 573**	**17 471**	**233 044**	**5.70**

[a] Including children under one year of age and students studying away from home.

Table 4
Basic education services[a]
(As of October 2002)

		Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Total/on average*
Elementary pupils		85 624	29 472	43 676	42 564	134 894	336 230
	Boys	42 935	14 953	22 478	18 721	69 287	168 374
	Girls	42 689	14 519	21 198	23 843	65 607	167 856
Preparatory pupils		49 725	10 258	20 582	17 439	54 423	152 427
	Boys	25 518	4 893	10 389	7 599	27 489	75 888
	Girls	24 207	5 365	10 193	9 840	26 934	76 539
Secondary pupils		-	2 292	-	-	-	2 292
	Boys	-	954	-	-	-	954
	Girls	-	1 338	-	-	-	1 338
Total enrolment		**135 349**	**42 022**	**64 258**	**60 003**	**189 317**	**490 949**
	Boys	**68 453**	**20 800**	**32 867**	**26 320**	**96 776**	**245 216**
	Girls	**66 896**	**21 222**	**31 391**	**33 683**	**92 541**	**245 733**
Percentage of girls		49.4	50.5	48.9	56.1	48.9	50.1
Percentage of total Agency-wide enrolment in each field		27.6	8.6	13.1	12.2	38.6	100.0
Percentage increase in total enrolment over previous year		**(0.4)**	**(0.6)**	**(0.2)**	**2.6**	**2.4**	**1.0**
Administrative schools		190	84	113	95	174	656
Elementary		61	39	63	26	125	314
Preparatory		129	40	50	69	49	337
Secondary		-	5	-	-	-	5
Percentage of administrative school on double shifts		91.6	61.9	94.7	41.1	77.0	77.1
Percentage of administrative school in rented premises		25.8	45.2	9.7	15.8	0.0	17.2
School building		103	58	62	83	111	417
Rented school building		27	27	8	15	0	77
Classroom occupancy rate		40.1	36.4	42.4	38.6	47.1	42.2
Percentage of class sections containing 48 pupils or more		12.9	3.2	26.5	4.8	43.6	23.3
University scholarships awarded		14	5	24	9	4	56
Percentage of female scholars		50.0	40.0	37.5	66.7	75	48.2
Teachers		4 382	1 542	1 818	1 975	5 444	15 161
In-service teacher trainees[b]		177	41	75	134	94	521

[a] Enrolment figures exclude an estimated 216,676 refugee pupils attending government and private elementary and preparatory schools and 70,413 refugee students attending government and private secondary schools; they include 39,084 non-refugee children attending UNRWA schools (elementary, preparatory and secondary).

[b] Participants in the regular in-service training programme (not including the Education Science Faculty) during the 2002/03 school year.

Table 5

Vocational, technical and teacher-training services

(Actual enrolment in 2002/03 academic year as of December 2002)

	Jordan				*Lebanon*		*Syrian Arab Republic*		*West Bank*						*Gaza Strip*				
	Amman Training Centre		*Wadi Seer Training Centre*		*Siblin Training Centre*		*Damascus Training Centre*		*Kalandia Training Centre*		*Ramallah Women's Training Centre*		*Ramallah Men's Training Centre*		*Gaza Training Centre*		*Subtotal*		
	M	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*M*	*F*	*Grand total*
Vocational and technical training																			
Vocational training[a]		74	587		369	71	486		455			96			584		2 481	241	2 722
Technical training[b]	18	353	149	109	134	125	188	192			2	423	175	41	108	143	774	1 386	2 160
Total trainees	**18**	**427**	**736**	**109**	**503**	**196**	**674**	**192**	**455**	**0**	**2**	**519**	**175**	**41**	**692**	**143**	**3 255**	**1 627**	**4 882**
Teacher training																			
Educational sciences																			
Faculty pre-service[c]	146	293										294	205	97			351	684	1 035
Other service[d]					39	92											39	92	131
Total teachers	**146**	**293**	**0**	**0**	**39**	**92**	**0**	**0**	**0**	**0**	**0**	**294**	**205**	**97**	**0**	**0**	**390**	**776**	**1 166**
Grand total	**164**	**720**	**736**	**109**	**542**	**288**	**674**	**192**	**455**	**0**	**2**	**813**	**380**	**138**	**692**	**143**	**3 645**	**2 403**	**6 048**

[a] Two-year post-preparatory courses in a variety of building, electrical, electronic, mechanical and metal working trades.

[b] Two-year post-secondary courses in a variety of technical, paramedical and commercial skills.

[c] Four-year post-secondary course leading to a first university degree.

[d] Two-year post-secondary course leading to a two-year teaching diploma.

Table 6
Medical care services
(1 July 2002-30 June 2003)

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Total*
Out-patient care						
Primary health-care facilities	23	25	23	34	17	122
Services integrated within primary health-care facilities						
Dental clinics	23	19	13	21	14	90
Family planning	23	25	23	34	17	122
Special non-communicable disease care	20	24	23	34	14	115
Radiology facilities	1	4	0	6	5	16
Laboratories	23	15	19	25	14	96
Physiotherapy clinics	1	0	0	6	6	13
Maternity units	0	0	0	0	6	6
Patient visits						
Medical treatment[a]	2 023 427	880 367	1 521 651	1 492 621	3 553 741	9 471 807
Dental treatment	146 644	88 316	102 765	84 265	161 538	583 528
In-patient (hospital) care[b]						
Patients admitted	13 262	17 203	6 401	18 144	4 897	59 907
Patient days	35 547	48 105	11 029	46 830	13 187	154 698
Maternal and child health care						
Pregnant women newly registered	24 690	4 511	8 444	12 108	30 184	79 937
Infants under age 1 newly registered	28 534	4 382	8 134	11 202	27 293	79 545
Children age 0-3 under supervision	67 711	12 226	20 678	31 035	63 920	195 588
New family planning acceptors	7 835	1 682	3 057	3 043	5 505	21 122
Total family planning acceptors	23 643	9 716	16 331	15 450	28 997	94 137
Expanded programme of immunization[c]						
Triple (DPT) vaccine	98.9	100.0	100.0	96.4	99.9	99.0
Polio vaccine	98.9	100.0	100.0	96.4	99.9	99.0
BCG vaccine	99.8	99.7	100.0	99.2	100.0	99.8
Measles vaccine	97.6	99.2	99.5	94.5	99.7	98.2
Hepatitis B vaccine	98.9	100.0	100.0	96.4	99.9	99.0
All vaccines	97.6	99.2	99.5	94.5	99.7	98.2
MMR[d]	95.4	100.0	97.5	87.2	99.5	96.0
School health						
School entrants examined	5 738	3 020	7 739	6 598	17 466	40 561
Booster vaccinations	29 307	7 559	13 247	16 598	37 790	104 501

[a] Including visits for medical consultations, injections and dressings.
[b] With the exception of a 63-bed hospital run by UNRWA at Qalqilia in the West Bank, hospital services are provided through contractual agreements with non-governmental and private hospitals or through partial reimbursement of treatment costs.
[c] Percentage of infants below 12 months receiving full primary series, based on end 2002 assessment.
[d] MMR given at 15 months of age.

Table 7
Selected health-status indicators for Palestine refugees

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*
Total fertility rate[a]	3.6	2.6	2.5	4.1	4.4
Percentage of population below 15 years of age	31.6	27.2	31.0	33.8	42.3
Percentage of women of reproductive age (15-49 years)	25.0	26.3	25.8	23.5	21.8
Prevalence of anaemia among children < 3 years of age	35.9	29.6	28.0	49.7	74.9
Prevalence of anaemia among pregnant women	32.1	28.6	27.0	35.5	44.7
Percentage of infants breast fed for at least one month[b]	75.9	87.2	78.3	87.1	65.0
Prevalence of exclusive breastfeeding up to 4 months[b]	24.0	30.2	40.3	34.5	33.3
Percentage of at risk pregnancies	32.4	27.7	27.6	32.5	35.1
Percentage of deliveries in health institutions	98.3	96.5	86.9	96.5	99.6
Pregnant women protected against tetanus (per cent)	99.4	99.7	99.4	98.7	97.6
Average daily consultations per medical officer	95	86	93	95	124
Prevalence of diabetes mellitus among 40 years and above refugees (per cent)	3.8	4.8	5.8	4.7	7.2
Prevalence of hypertension among 40 years and above refugees (per cent)	5.8	9.5	9.3	6.7	9.8
Number of camps served by UNRWA mechanized refuse collection and disposal equipment	10	12	7	13	8
Camp shelters with access to safe water (per cent)	99	97	93	100	98
Camp shelters with access to sewerage facilities (per cent)	85	60	87	66	75

[a] UNRWA Survey, 2000.
[b] UNRWA Survey, 2001.

Table 8
Social services programme
(1 July 2002-30 June 2003)

	Women's programme		*Children and youth programme*	*Support for disabled persons*				*Poverty alleviation*							
				Community-based rehabilitation			*Specialized facilities*	*Grant-based projects*		*Loan-based projects*		*Group-guaranteed lending schemes*		*Skill-training and production units*[a]	
				Participants[b]											
Field	*Centres*	*Participants*	*Participants*	*Programmes*	*Centre activities*	*Outreach activities*	*Referrals*	*No.*	*$*	*No.*	*$*	*Participants*	*$*	*No.*	*Participants*
Jordan	21	10 599	0	10	2 251	3 350	250	74	218 276	116	244 534	50[c]	31 509	2	100
Lebanon	10	12 847	3 011	1	66	2 153	1 008	12	34 900	126	365 900	330	165 000	6	22
Syrian Arab Republic	15	16 227	0	5	2 399	295	46	0	0	0	0	0	0	0	0
West Bank	15	3 168	7 600	14	6 497	826	530	0	0	0	0	0	0	0	140
Gaza	10	5 916	4 000	7	1 075	7 659[d]	255	4	50 000	0	0	0	0	1	250
Total	**71**	**48 757**	**14 611**	**37**	**12 288**	**14 283**	**2 089**	**90**	**303 176**	**242**	**610 434**	**380**	**196 509**	**9**	**512**

[a] Including enterprises associated with women's programme centres and community rehabilitation centres, and in the West Bank, apprentices placed with local employers.

[b] Including disabled persons assisted through home-based activities, mainstreaming into educational and special vocational training programmes, job placement, self-support projects, provision of prosthetic devices and other aids, and cash assistance.

[c] Including 14 microcredit projects implemented through WPCs.

[d] Including 445 of the Al-Nour Rehabilitation Centre for the Visually Impaired in Gaza.

Table 9

Actual expenditure in 2002, regular budget for 2003 and proposed budget for 2004-2005

(Cash and in kind, millions of United States dollars)

	Actual expenditure 2002	*Budgeted expenditure 2003*							*Proposed biennial budget 2004-2005*		
		Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza Strip*	*Headquarters*	*Total*	*2004*	*2005*	*Total*
Education	175.5	50.3	25.8	12.7	28.2	60.2	2.0	179.1	188.5	194.6	383.1
Health	52.3	11.5	11.7	6.8	12.7	17.3	0.6	60.7	61.8	64.9	126.8
Relief and Social Services	27.8	6.4	6.7	3.7	5.2	12.2	0.7	34.9	34.3	35.5	69.8
Operational Services[a]	16.9	2.1	2.7	1.7	2.7	4.3	6.1	19.6	22.9	22.3	45.3
Common Services[b]	26.3	2.4	3.2	1.8	3.8	4.1	30.8	46.3	43.3	43.4	86.7
Residual effect of current emergency					2.1	1.4		3.5	N/A	N/A	N/A
Total regular budget	**298.8**	**72.7**	**50.1**	**26.8**	**54.7**	**99.5**	**40.3**	**344.1**	**350.8**	**360.7**	**711.7**

[a] Including supply, transport, architectural and engineering services that support all Agency programmes.

[b] Including management and administrative services that support all Agency programmes, as well as working capital reserves to be allocated to programmes during the budget biennium in addition to prior years' adjustments.

Table 10
Contributions in cash and in kind by Governments and the European Community
(1 January 2002-31 December 2002)
(United States dollars)

Source	*Total 2001 contributions*	*2002 contributions*			*Total*
		Regular budget	*Emergency Appeal*	*Projects*	
Australia	2 308 150	1 972 200	391 560	-	2 363 760
Austria	645 131	801 126	-	-	801 126
Bahrain	30 000	30 000	-	-	30 000
Belgium	1 558 436	1 861 209	2 124 306	-	3 985 515
Brunei Darussalam	10 000	10 000	-	-	10 000
Canada	8 835 800	6 289 282	1 257 777	217 528	7 764 587
Chile	5 000	5 000	-	-	5 000
China	60 000	60 000	-	-	60 000
Colombia	2 500	-	-	-	-
Cyprus	15 000	15 000	-	-	15 000
Czech Republic	26 804	30 642	35 000	-	65 642
Denmark	9 430 139	6 240 057	1 300 304	183 394	7 723 755
Egypt	154 230	-	-	-	-
Finland	2 717 261	1 721 170	1 097 993	-	2 819 163
France	11 743 227	3 713 610	2 209 527	176 187	6 099 324
Germany	6 500 369	5 785 572	2 661 150	800 985	9 247 707
Greece	400 000	400 000	-	-	400 000
Holy See	-	-	-	73 000	73 000
Iceland	-	65 000	-	-	65 000
India	9 480	5 162	-	-	5 162
Ireland	2 299 709	1 303 800	1 179 570	-	2 483 370
Italy	9 196 323	7 684 729	3 052 947	103 662	10 841 338
Japan	16 535 138	9 533 171	1 200 000	671 735	11 404 906
Jordan	108 260	203 834	-	-	203 834
Kuwait	1 500 000	1 499 974	-	-	1 499 974
Lebanon	29 400	7 480	-	-	7 480
Libyan Arab Jamahiriya	1 000 000	-	-	-	-
Luxembourg	1 604 598	1 424 695	393 838	18 373	1 836 906
Malaysia	55 210	25 000	-	-	25 000
Maldives	1 000	1 000	-	-	1 000
Malta	3 000	-	-	-	-
Mexico	3 000	2 913	-	-	2 913
Monaco	5 000	5 000	-	-	5 000
Morocco	20 053	21 923	-	-	21 923

Source	*Total 2001 contributions*	*2002 contributions*			
		Regular budget	*Emergency Appeal*	*Projects*	*Total*
Netherlands	16 792 137	10 188 256	2 458 210	1 458 416	14 104 882
New Zealand	183 070	117 236	175 228	-	292 464
Norway	12 476 060	11 514 148	3 175 046	-	14 689 194
Oman	25 000	-	-	-	-
Palestine	2 548 604	2 999 567	-	-	2 999 567
Poland	-	20 000	-	-	20 000
Portugal	25 000	125 000	-	-	125 000
Qatar	35 000	35 000	-	-	35 000
Republic of Korea	200 000	100 000	-	-	100 000
Saudi Arabia	2 549 285	1 800 000	-	3 630 720	5 430 720
South Africa	49 938	27 000	-	-	27 000
Spain	4 496 394	3 068 197	-	-	3 068 197
Sweden	16 873 738	17 138 079	3 017 016	-	20 155 095
Switzerland	7 743 640	4 923 977	1 265 469	565 250	6 754 696
Syrian Arab Republic	48 882	34 028	-	-	34 028
Tunisia	22 571	11 286	-	-	11 286
Turkey	200 000	200 000	199 950	-	399 950
United Arab Emirates	500 000	500 000	-	-	500 000
United Kingdom of Great Britain and Northern Ireland	37 262 416	18 705 757	10 267 857	1 674 859	30 648 473
United States of America	114 781 440	87 455 938	38 185 212	2 045 976	127 687 126
Subtotal	**293 625 393**	**209 682 018**	**75 647 960**	**11 620 085**	**296 950 063**
European Community	84 642 280	66 382 139	-	16 200 686	82 582 825
Grand total	**378 267 673**	**276 064 157**	**75 647 960**	**27 820 771**	**379 532 888**

Table 11
Staff members arrested and detained
(1 July 2002-30 June 2003)

	Jordan	*Lebanon*	*Syrian Arab Republic*	*West Bank (detained by Israeli authorities)*	*West Bank (detained by Palestinian authorities)*	*Gaza Strip (detained by Israeli authorities)*	*Gaza Strip (detained by Palestinian authorities)*	***Total***
Released without charge or trial	9	2	-	41	-	2	4	**58**
Released after charge or trial	-	-	-	1[a]	-	-	-	**1**
Still in detention on 30 June 2003	-	-	-	18[b]	-	2[c]	1	**21**
Total	**9**	**2**	**0**	**60**	**0**	**4**	**5**	**80**

[a] Released after pleading guilty to having been an active member in a university student organization prior to his employment with the Agency.
[b] Five of the detained staff members were arrested in the previous reporting period, while one staff has been detained since 22 June 2001.
[c] This figure includes one staff member who has been charged and was awaiting trial at the close of the reporting period.

Table 12
Agency staff[a]
(On 30 June 2003)

Programme	*Jordan*	*Lebanon*	*Syrian Arab Republic*	*West Bank*	*Gaza*	*Headquarters (Amman)*	*Headquarters (Gaza)*	*New York Liaison Office*	*Geneva Liaison Office*	***Total***
Education	4 880	1 691	2 059	2 448	5 901	68	0			**17 047**
Health	857	549	424	677	997	10	0			**3 514**
RSS	114	98	85	116	191	12	0			**616**
Other	249	288	239	464	618	112	138			**2 108**
Total, area staff	**6 100**	**2 626**	**2 807**	**3 705**	**7 707**	**202**	**138**			**23 285**
Total, international staff	**6**	**7**	**7**	**25**	**14**	**20**	**47**	**3**	**2**	**131**
Total staff	**6 106**	**2 633**	**2 814**	**3 730**	**7 721**	**222**	**185**	**3**	**2**	**23 416**

[a] Staff members on mission were not included in the list.

Table 13
Microfinance and microenterprise programme
(1 July 2002-30 June 2003)

	Gaza				*West Bank*		*Jordan*	*Syrian Arab Republic*	
	Small-scale enterprise product	*Micro-enterprise credit product*	*Solidarity group lending product*	*Consumer lending product*	*Small-scale enterprise product*	*Micro-enterprise credit product*	*Micro-enterprise credit product*	*Micro-enterprise credit product*	***Total***
Number of loans issued	23	3 799	3 748	383	0	667	146	144	**8 910**
Value of loan issued ($)	300 000	3 021 650	1 745 800	179 950	0	610 452	112 429	41 650	**6 011 931**
Capital base ($)	7 930 129	3 099 260[a]	0	60 000	1 724 296	547 277	0[b]	0	**13 360 962**
Overall recovery rate (%)[c]	92	94	95	97	93	93	100	100	

[a] Shared capital base for the solidarity group lending product and the microenterprise credit product in Gaza.
[b] Capital for the initial launch of the programmes in Jordan and the Syrian Arab Republic has been lent from Gaza.
[c] Percentage over the life of the programme to 30 June 2003.

Annex II

Pertinent records of the General Assembly and other United Nations bodies

1. General Assembly resolutions

Resolution number	*Date of adoption*	*Resolution number*	*Date of adoption*
194 (III)	11 December 1948	2964 (XXVII)	13 December 1972
212 (III)	19 November 1948	3089 (XXVIII)A to E	7 December 1972
302 (IV)	8 December 1949	3090 (XXVIII)	7 December 1973
393 (V)	2 December 1950	3330 (XXIX)	17 December 1974
513 (VI)	26 January 1952	3331 (XXIX) A to D	17 December 1974
614 (VII)	6 November 1952	3419 (XXX) A to D	8 December 1975
720 (VIII)	27 November 1953	31/15 A to E	23 November 1976
818 (IX)	4 December 1954	32/90 A to F	13 December 1977
916 (X)	3 December 1955	33/112 A to F	18 December 1978
1018 (XI)	28 February 1957	34/52 A to F	23 November 1979
1191 (XII)	12 December 1957	35/13 A to F	3 November 1980
1315 (XIII)	12 December 1958	36/146 A to H	16 December 1981
1456 (XIV)	9 December 1959	37/120 A to K	16 December 1982
1604 (XV)	21 April 1961	38/83 A to K	15 December 1983
1725 (XVI)	20 December 1961	39/99 A to K	14 December 1984
1856 (XVII)	20 December 1962	40/165 A to K	16 December 1985
1912 (XVIII)	3 December 1963	41/69 A to K	3 December 1986
2002 (XIX)	10 February 1965	42/69 A to K	2 December 1987
2052 (XX)	15 December 1965	43/57 A to J	6 December 1988
2154 (XXI)	17 November 1966	44/47 A to K	8 December 1989
2252 (ES-V)	4 July 1967	45/73 A to K	11 December 1990
2341 (XXII) A and B	19 December 1967	46/46 A to K	9 December 1991
2452 (XXIII) A to C	19 December 1968	47/69 A to K	14 December 1992
2535 (XXIV) A to C	10 December 1969	48/40 A to J	10 December 1993
2656 (XXV)	7 December 1970	49/21 B	2 December 1994
2672 (XXV) A to D	8 December 1970	49/35 A to G	9 December 1994
2728 (XXV)	15 December 1970	49/21 O	21 April 1995
2791 (XXVI)	6 December 1971	50/28 A to G	6 December 1995
2792 (XXVI) A to E	6 December 1971	51/124 to 51/130	13 December 1996
2963 (XXVII) A to E	13 December 1972	52/57 to 52/63	10 December 1997
		53/46 to 53/52	3 December 1998
		54/69 to 54/75	15 December 1999
		55/123 to 55/128	8 December 2000
		56/52 to 56/58	10 December 2001
		57/117 to 57/123	11 December 2002

2. General Assembly decisions

Decision number	*Date of adoption*
36/462	16 March 1982
48/417	10 December 1993

3. Reports of the Commissioner-General of UNRWA

1998

Ibid., *Fifty-third Session, Supplement No. 13* (A/53/13)

1999

Ibid., *Fifty-fourth Session, Supplement No. 13* and addendum (A/54/13 and Add. 1)

2000

Ibid., *Fifty-fifth Session, Supplement No. 13* (A/55/13)

2001

Ibid., *Fifty-sixth Session Supplement No. 13* and addendum (A/56/13 and Add.1)

2002

Ibid., *Fifty-seventh Session, Supplement No. 13* (A/57/13)

4. Financial reports and audited financial statements (biennial)

1998

Official Records of the General Assembly, Fifty-third Session, Supplement No. 5C (A/53/5/Add.3)

2000

Ibid., *Fifty-fifth Session, Supplement No. 5C* (A/55/5/Add.3)

2002

Ibid., *Fifty-seventh Session, Supplement No.5C* (A/57/5/Add.3)

5. Reports of the United Nations Conciliation Commission for Palestine

1998

A/53/518

1999

A/54/338

2000

A/55/329

2001

A/56/290

2002

A/57/294

6. Reports of the Working Group on the Financing of UNRWA

1998

A/53/569

1999

A/54/477

2000

A/55/456

2001

A/56/430

2002

A/57/462

7. Reports of the Secretary-General

1998

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 52/59, 60, 62 and 63 of 10 December 1997, respectively:

A/53/471 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/53/472 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/53/644 (Palestine refugees' properties and their revenues)

A/53/551 (University of Jerusalem "Al-Quds" for Palestine refugees)

1999

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 53/48, 49, 51 and 52 of 3 December 1998, respectively:

A/54/377 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/54/376 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/54/345 (Palestine refugees' properties and their revenues)

A/54/385 (University of Jerusalem "Al-Quds" for Palestine refugees)

2000

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 54/71, 72, 74 and 75 of 6 December 1999, respectively:

A/55/391 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/55/402 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/55/428 (Palestine refugees' properties and their revenues)

A/55/425 (University of Jerusalem "Al-Quds" for Palestine refugees)

2001

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 55/125, 126, 128 and 129 of 8 December 2000, respectively:

A/56/382 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/56/375 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/56/420 (Palestine refugees' properties and their revenues)

A/56/421 (University of Jerusalem "Al-Quds" for Palestine refugees)

2002

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 56/54, 55, 57 and 58 of 10 December 2001, respectively:

A/57/338 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/57/282 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/57/455 (Palestine refugees' properties and their revenues)

A/57/456 (University of Jerusalem "Al-Quds" for Palestine refugees)

8. Notes by the Secretary-General

1996

A/51/495 (Note by the Secretary-General and annexed special report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East on the financial crisis of the Agency)

03-46814 (E) 091003